

## **Budget Summary**

### **Fiscal Year 2005 - 2006 Proposed Budget**

#### **Overview**

The **FY 2006 Annual Proposed Operating and Capital Budget** has been developed to provide funding for quality city services, targeted investments, and continued infrastructure improvement projects. The annual budget development process serves as the foundation for the City's allocation of resources for city services. Additionally, the budget process encapsulates incremental changes to address service requirements and builds upon initiatives funded in prior years as well as establishes new direction for programs through the allocation of resources. This Budget Summary of the Annual Operating Budget serves as a broad overview to highlight how the allocation of City financial, human, and capital resources are directed to achieve service delivery goals. The Budget Summary is organized in the following manner and is only one component of an overall financial and service delivery strategic plan.

#### **Budget Summary Outline**

- City Council Goals Identified for FY 2006 Budget
- How the FY 2006 Proposed Budget Addresses City Council Goals
- FY 2006 Total City Budget (All Funds)
- How the FY 2006 General Fund Ending Balance Changed
- Summary of Other General Fund Enhancements
- FY 2007 Revised Forecast Plan
- Summary of All General Fund Enhancements By Service Delivery Category
- Service Delivery Change Detail
- Reductions/Redirections
- Revenue Changes & General Fund Reserve for Revenue Loss
- City Authorized Personnel Levels
- Other Funds Summary
- Six Year Capital Improvement Plan Summary

#### **City Council Goals Identified for FY 2006 Budget**

On July 8, 2005, City Council participated in a Goal Setting and Prioritization Worksession providing service delivery direction for the FY 2006 Budget. A major focus of the Worksession events focused on City Council providing staff with a list of services that should be reviewed for change. The "delta process" allowed City Council to identify those service delivery issues requiring the most change in the FY 2006 Budget. A total of 158 services, within three unique categories, were subject to the "delta process". These three categories were as follows:

- **The 2005 Inventory of City Services**  
*A listing of 127 discrete services and programs provided by the City of San Antonio.*
- **Service Delivery Issues (Five Year Forecast)**  
*A listing of 22 service delivery issues included in the Five Year Financial Forecast presented in June 2005.*
- **New City Services (City Council Identified)**  
*A listing of nine City Council identified issues.*

## Budget Summary

Certain services from the Inventory of City Services category were selected by City Council and placed into one of three funding review options:

1. Increase Funding
2. Discontinue Funding
3. Change Funding

The services in the three funding review options along with services and issues in the Service Delivery Issues and the New City Services categories were evaluated using the criteria that:

- a) funding review should or should not occur,
- b) city services were a high, medium, or low priority, and
- c) the funding review should take place in the FY 2006 Budget or in future years' budgets.

Listed below are those city services that had a consensus (seven or more City Councilmembers) or unanimous (all eleven City Councilmembers) selection that the service's funding review should occur, that the program was a high priority, and that the funding review should occur for the FY 2006 Budget. For each of these 19 identified services, the funding review consisted of either increasing funding or changing funding. There was no consensus among the City Councilmembers for city services to be discontinued.

### **19 City Services Identified for Funding Review by Seven or More City Councilmembers**

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- |  |   |
|--|---|
| • Street Maintenance – City Crews                      | • Police & Fire Collective Bargaining   |
| • After School Challenge Program                       | • Park Development                      |
| • Contractual Street Maintenance                       | • Capital Programs                      |
| • Health Insurance Benefit Options/Costs               | • Youth Development                     |
| • Neighborhood Accessibility & Mobility Program (NAMP) | • Animal Care                           |
| • Mayor & City Council                                 | • EMS Service                           |
| • Public Restrooms (Downtown & Parks)                  | • Implementation of Bond/HUD 108 CIP    |
| • Community Policing (SAFFE)                           | • Additional COLA (2.11%) in FY 2006    |
| • CPS Revenue Policy for Art Organizations             | • Branch Libraries                      |
|  | • General Fund Reserve for Revenue Loss |

### **How the FY 2006 Proposed Budget Addresses City Council Goals**

The table on the following page summarizes how the FY 2006 Proposed Budget addresses each of the 19 City Services identified for funding review by City Council. The table depicts Proposed General Fund allocations toward each enhancement as well as other Funds' proposed allocations. Finally, a summary indicates the cost of recurring versus one-time expenditures. More detail for each of the issues identified is provided on the Budget Summary and within the City Service Delivery Plan section of the FY 2006 Proposed Budget.

## How the FY 2006 Proposed Budget Addresses City Council 19 Selected Services for Review

| City Council Identified Service            | FY 2006 Proposed Budget Enhancement  | General Fund                    | Other Funds        |
|--|--|---------------------------------|--------------------|
| 1 Street Maintenance                       | Base funding increase and 2 Year Plan  | \$5,000,000                     | \$5,000,000        |
| 2 After School Challenge Program           | After School Activity Initiative   | 217,815                         |                    |
| 3 Contractual Street Maintenance           | Same as #1 above   |                                 |                    |
| 4 Health Insurance Benefit Options/Costs   | No increase in employee premiums<br>Citimed PPO Plan revisions<br>Create Flexible Spending Accounts                  |                                 |                    |
| 5 Neighborhood Accessibility & Mobility    | Added Contractual NAMP   | 1,000,000                       |                    |
| 6 Mayor & City Council                     | Add resources for Support Staff and Operations   | 276,502                         |                    |
| 7 Public Restrooms (Downtown & Parks)      | Add Two Comfort Stations and One Rest Center   |                                 | 1,000,000          |
| 8 Community Policing (SAFFE)               | Add 6 New Police Officer Positions   | 321,952                         |                    |
| 9 CPS Revenue Policy for Art Organizations | Tied to Increase in Reserve for Revenue Loss<br>Add CVF Funding for Cultural Collaborative                           |                                 | 500,000            |
| 10 Police & Fire Collective Bargaining     | Increase funding included in FY 2006 Mandates  |                                 |                    |
| 11 Park Development                        | Increase funding within CIP (Prop. 1 & 2)  |                                 |                    |
| 12 Capital Programs                        | Pre-2007 Bond Election Project Scope   | 200,000                         |                    |
| 13 Youth Development                       | Teen Pregnancy Prevention Program  | 200,000                         |                    |
| 14 Animal Care                             | Animal Care Enhancement  | 868,394                         |                    |
| 15 EMS Service                             | Add two Additional EMS Units<br>Add Peak Period Dispatching<br>Add 40 12-Lead EKGs                                   | 1,752,658<br>183,037<br>366,597 |                    |
| 16 Implementation of Bond/HUD 108 CIP      | Local Area Management Staff (3)  | 32,510                          |                    |
| 17 Additional COLA (2.11%) in FY 2006      |  |                                 |                    |
| 18 Branch Libraries                        | Additional Library Materials Budget<br>Library District Consulting Services<br>Inventory Management/Check Out System | 500,000<br>75,000<br>1,032,389  |                    |
| 19 General Fund Reserve for Revenue Loss   | Increase to 3.7% of General Fund Budget  | 3,550,000                       |                    |
| <b>Total</b>                               |  | <b>\$15,576,854</b>             | <b>\$6,500,000</b> |

|  |                     |
|--|---------------------|
| <b>New Additional Resources</b>          | <b>\$15,359,039</b> |
| <b>Redirected General Fund Resources</b> | <b>217,815</b>      |
| <b>Total</b>                             | <b>\$15,576,854</b> |

|                                 |                     |
|---------------------------------|---------------------|
| <b>Recurring Improvements</b>   | <b>\$8,435,053</b>  |
| <b>One-Time Improvements</b>    | <b>3,373,986</b>    |
| <b>Reserve for Revenue Loss</b> | <b>3,550,000</b>    |
| <b>Total</b>                    | <b>\$15,359,039</b> |

In addition to the July 8, 2005 City Council Goal Setting and Prioritization Worksession, the City also conducted a Public Forum on the Proposed Budget to receive Citizen input on service delivery perspectives. Additionally, the budget schedule included a Fire Department Bottom Line Strengthening Initiative as described below.

**Public Forum on Budget** To receive citizen input for the FY 2006 Budget, City Council included within the FY 2006 Budget Schedule a Public Forum on the Budget. This Forum was held on July 12, 2005 with more than 50 residents attending to speak on their service delivery priorities. Issues that were addressed included street maintenance, youth services, public libraries, animal control, and homelessness.

## Budget Summary

**Fire Department Bottom Line Strengthening Initiative** The FY 2006 Budget Schedule included utilizing the Bottom Line Strengthening (BLS) initiative within the Fire Department. The purpose of the Fire BLS initiative, designed by the Fire Department, Office of Management & Budget, Human Resources Department, and San Antonio Professional Firefighters Association, was to obtain ideas from front-line uniform fire personnel on how to improve Fire Department services and gain efficiencies in service delivery. BLS sessions were conducted on June 24, June 30' and July 1, 2005 with 44 fire personnel participating. The City's Human Resources Department randomly selected employees from the Fire Department to represent each department division based on assignment, work shift and longevity in the Department. The sessions were facilitated by a Training Specialist from the Human Resources Department. The following is a list of areas that were identified by the BLS participants for consideration in the FY 2006 Budget and in future years' budget.

### **Fire BLS Identified Service Delivery Issues**

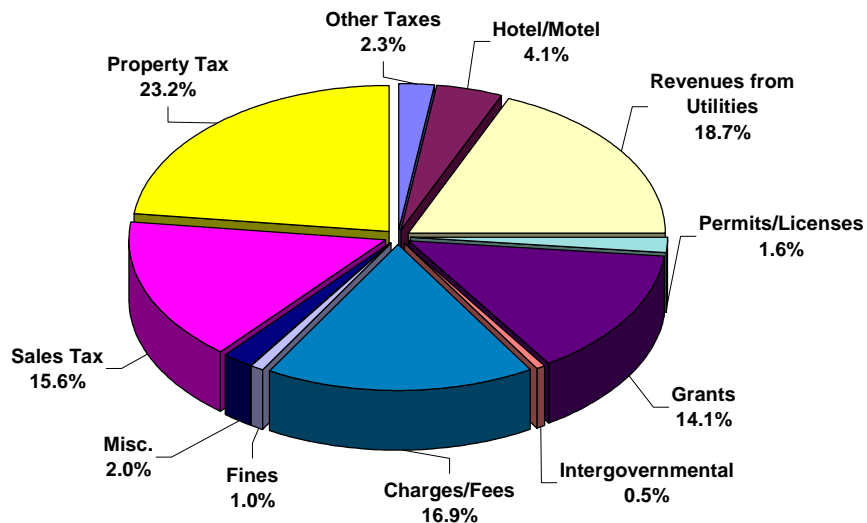
- Additional EMS Dispatchers and Call Taker Hours
- EMS Service Fees
- Fire Station Construction
- Equipment & Equipment Accessories for Fire/EMS Apparatus
- Fire Apparatus Replacement
- Special Projects Coordinator (District Chief over Hazmat and Rescue)
- Centralize Hazmat Team
- Manpower
- Revenue/Cost Efficiencies
- Personnel Utilization

### FY 2006 Total City Budget (All Funds) Summary

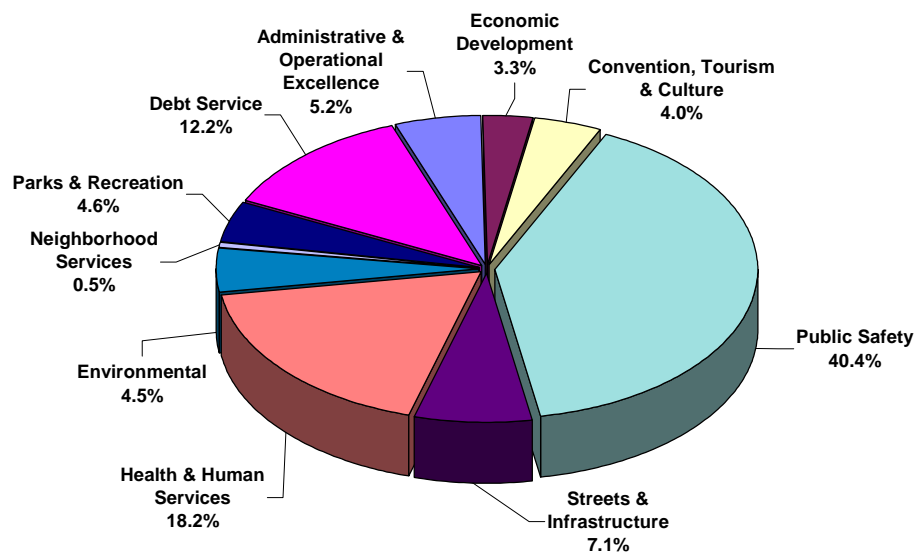
The FY 2006 Proposed Budget appropriation for **All Funds** is **\$1.721 billion**, excluding transfers of **\$211 million**. This amount includes **total operating expenses of \$1.244 billion** and **\$476.5 million in capital expenditures**. The following charts show proposed operating revenues and appropriations for all funds for FY 2006. These charts are followed by the General Fund chart that layers operating expenditures over major revenue categories.

### FY 2006 Proposed Consolidated Operating Budget

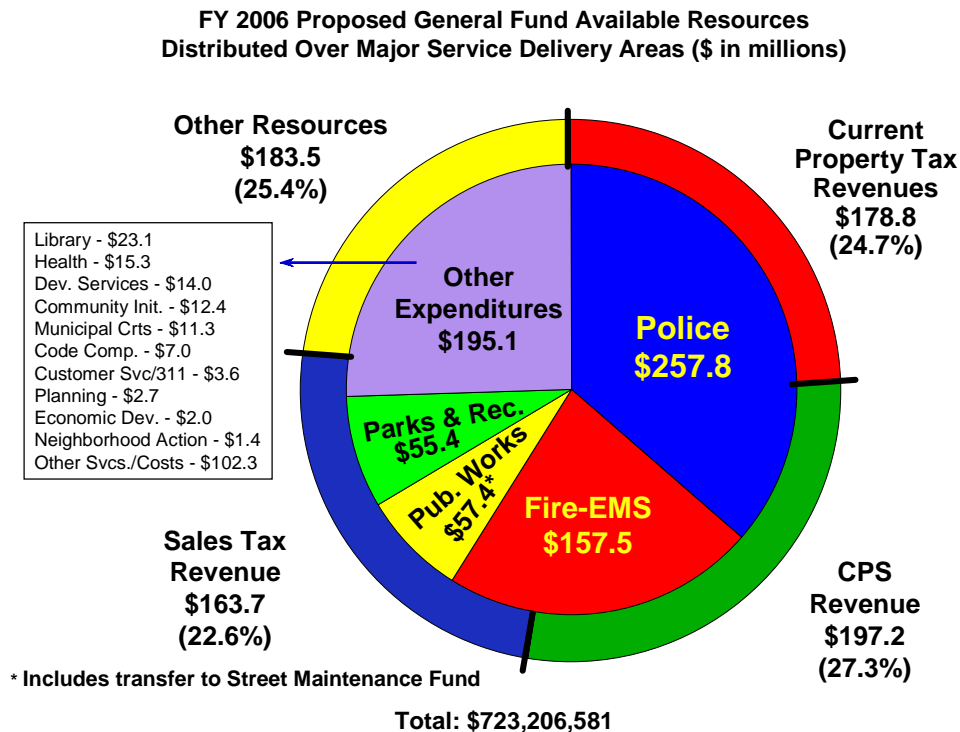
**Revenues: \$1,243,988,302**



**Service Delivery Expenditures: \$1,243,988,302**



## Budget Summary



**Property Tax** The FY 2006 Proposed Budget includes \$178.8 million in maintenance and operations support for the General Fund from property taxes while maintaining the tax rate at the current year level—57.854 cents per \$100 taxable valuation. **For the thirteenth straight year, no increase in the overall tax rate is projected.** Property tax values are determined by the Bexar Appraisal District (BAD) in conformance with State law. Values for the City of San Antonio recently reported by BAD for FY 2006 show an increase in total net taxable value of approximately \$3.7 billion, or 8.02%, above last year. Included in this total are \$1.47 billion for new improvements which reflects real growth of 3.17% over last year's total taxable value. The taxable value less new improvements yields the base valuation. The increase in the base valuation from last year is \$2.25 billion, or 4.85%.

The Property Tax Freeze (Proposition 3) that voters approved in May 2005 is projected to have an impact on the City's Property Tax revenue beginning in FY 2007. The property values in FY 2006 become the base values for the senior and disabled account. If the resident homestead value of the senior or disabled increases in FY 2007, with the freeze in place the property tax payment will remain the same as the payment in FY 2006. Using a projected 3.75% growth in values, it is estimated that the City will forego approximately \$929,000 in property tax revenue in FY 2007.

**CPS Revenue** The City's payment from City Public Service Energy (CPS) represents the largest source of revenue to the General Fund. Fourteen percent of all CPS gas and electric customer revenue is paid to the City as a return on investment. The FY 2006 Proposed Budget amount of \$197.2 million from CPS revenues is \$6.3 million, or 3.1%, lower than the FY 2005 re-estimate of \$203.5 million. The estimated revenue of \$203.5 million for FY 2005 is \$13.9 million, or 7.35%, higher than the original \$189.5 million budgeted in FY 2005. Revenues from CPS are one of the most difficult to project due to a number of variables which can significantly impact CPS revenues and consequently, the City's payment. The payment to the City from CPS can fluctuate significantly from year to year. Therefore, as has been the case for the past several years, the Proposed Budget amount of \$197.2 million for FY 2006 is conservative.

**Sales Tax Revenue** Sales tax collections have a strong correlation to national and economic conditions. Local economic conditions, such as the unemployment rate, are projected to outpace national trends over the next few years. Actual sales tax collections for the current year are projected to be at \$156.7 million. This amount is \$6.1 million, or 4.05%, more than the \$150.6 million budgeted in FY 2005 for sales tax revenue. Sales tax revenues in FY 2006 are projected to increase from the FY 2005 Re-Estimate by 4.46% to \$163.7 million. Beyond FY 2006, as the economy continues to strengthen, revenue levels from this source are expected to steadily increase.

### How the FY 2006 General Fund Budget Balance Changed

In the Five Year Financial Forecast, the General Fund was projected to have a \$2.077 million positive ending balance for FY 2006. Stronger than forecasted revenues and lower than projected expenditures for FY 2005 and FY 2006 have generated an additional \$18.5 million to address City Council Priorities and other Service Delivery Enhancements. The table below details how the budget balance changed from the Five Year Financial Forecast to the FY 2006 Proposed Budget.

#### How the FY 2006 Budget Balance Changed From Five Year Forecast Projections to FY 2006 Proposed Budget (Dollars in Millions)

|  |               |
|--|---------------|
| Five-Year Forecast FY 2006 Projected General Fund Balance                  | <b>\$2.0</b>  |
| Revenue Changes in FY 05 Re-Estimate since Forecast Projection             |               |
| FY 2005 Change in Sales Tax Re-Estimate                                    | 0.7           |
| FY 2005 Change in Current Property Tax                                     | (0.2)         |
| FY 2005 Change in CPS Payment  | 2.5           |
| FY 2005 Change in other Revenue Projections                                | 0.6           |
|  | <b>3.6</b>    |
| Revenue Changes in FY 06 Current Services Budget since Forecast Projection |               |
| FY 2006 Change in Sales Tax  | 0.7           |
| FY 2006 Change in Current Property Tax                                     | 4.8           |
| FY 2006 Change in CPS Payment  | 3.6           |
| FY 2006 Net effect of reorganizations and other revenue changes            | (1.7)         |
| FY 2006 Change in indirect charges for service                             | (1.0)         |
|  | <b>6.4</b>    |
| FY 2006 Proposed New Revenue Not Included in Forecast                      | <b>2.7</b>    |
| Expenditure Changes in FY 05 Estimates & FY 06 Proposed Budget to Forecast |               |
| FY 2005 Reduction in Expenditure re-estimates (Savings)                    | 1.6           |
| FY 2006 Budget Reductions/Redirections                                     | 1.2           |
| FY 2006 Reduction in Estimated Market Adjustment Costs                     | 0.5           |
| FY 2006 Reduction in Estimated Expenditure Base                            | 4.3           |
|  | <b>7.6</b>    |
| <b>Added Resources for Service Improvements in FY 06 Budget:</b>           | <b>\$22.3</b> |
| Amount for Civilian Compensation Adjustment included in Five Year Forecast | 4.0           |
| <b>Total FY 06 General Fund Resources Available for Improvements</b>       | <b>\$26.3</b> |

## Budget Summary

### Summary of Other General Fund Enhancements

The following table and its continuation on the next page summarize other improvements recommended within the FY 2006 General Fund Proposed Budget. These enhancements add to the enhancements listed on page S3 that address City Council's 19 areas of service delivery selected for funding review. Detailed information for each enhancement is included in the Budget Summary and within the City Service Plan section of the Budget.

#### Other FY 2006 Proposed General Fund Budget Enhancements

| Department                         | Other FY 2006 Proposed General Fund Budget Enhancements                                       | General Fund | Recurring One-Time |
|------------------------------------|---|--------------|--------------------|
| Asset Management                   | Add 1 Marketing Manager & Professional Services for Municipal Marketing Initiative            | \$116,205    | Recurring          |
| City Clerk                         | Programming of Scanner: Microfilming & Scanning of Council Meeting Documents                  | 8,130        | One-Time           |
| City Clerk                         | Database for Lobbyist Registration & Quarterly Reporting                                      | 50,000       | One-Time           |
| City Clerk                         | Funding to Upgrade ISYS Software System for Research of Council Documents                     | 20,000       | One-Time           |
| City Clerk                         | Add 1 Administrative Assistant I for Additional Assistance with Boards and Commissions        | 26,356       | Recurring          |
| Contributions to Delegate Agencies | Increase Funding for Brooks City-Base   | 175,000      | One-Time           |
| Customer Service & 311 System      | Add 1 Community Link Center: 2 311 Customer Service Representatives & 1 Program Manager       | 223,973      | Recurring          |
| Development Services               | Add 1 Electrical Inspector Position   | 65,859       | Recurring          |
| Development Services               | Add 1 Development Services Specialist Position for Commercial Mail-In Plans                   | 29,802       | Recurring          |
| Development Services               | Add 1 Sr. Electrical Inspector & 1 Sr. Plumbing Inspector Position for Investigation Team     | 141,345      | Recurring          |
| Development Services               | Add 1 Building Inspector Position   | 66,169       | Recurring          |
| Development Services               | Add 2 Development Services Representative Positions   | 61,788       | Recurring          |
| Economic Development               | Add 1 Sr. Economic Development Specialist Position for Empowerment Zones                      | 58,629       | Recurring          |
| Fire                               | Replace 13 Pumper Trucks  | 560,593      | Recurring          |
| Fire                               | Add 1 Accountant II and 1 Special Projects Officer Position to Assist with Department Payroll | 66,843       | Recurring          |
| Human Resources                    | Add 1 Sr. Human Resources Analyst Position for Executive and Specialty Recruitment            | 56,318       | Recurring          |
| Non-Departmental/Non-Operating     | Funding for a Parking Allowance Program   | 750,000      | Recurring          |



## Other FY 2006 Proposed General Fund Budget Enhancements (Continued)

| Department                     | Other FY 2006 Proposed<br>General Fund Budget Enhancements                                   | General Fund        | Recurring<br>One-Time |
|--------------------------------|--|---------------------|-----------------------|
| Non-Departmental/Non-Operating | Civilian Market Adjustment   | 3,952,884           | Recurring             |
| Non-Departmental/Non-Operating | Funding for a Domestic Violence Package  | 300,000             | One-Time              |
| Non-Departmental/Non-Operating | Funding to Establish a Business Process Unit   | 750,000             | One-Time              |
| Non-Departmental/Non-Operating | Create a Special Events Office - Redirect 1<br>Special Projects Coordinator Position         | 100,000             | Recurring             |
| Non-Departmental/Non-Operating | Early Retirement Incentive Initiative  | 1,678,304           | One-Time              |
| Parks & Recreation             | Increase Fees to Professional Services Budget<br>for Contractual Bulk Mowing Services        | 138,848             | Recurring             |
| Parks & Recreation             | Increase Fees to Professional Services Budget<br>for Contractual Riverwalk Cleaning Services | 165,000             | Recurring             |
| Parks & Recreation             | Increase Fees to Professional Services Budget<br>for Contractual Mowing Services             | 313,887             | Recurring             |
| Planning                       | Implementation - In Lieu a Planner II to a Sr.<br>Planner Position                           | 5,729               | Recurring             |
| Police                         | Additional Funding to Replace a Police Helicopter  | 193,561             | One-Time              |
| Public Works                   | Automatic Vehicle Locator Technology: Enhance<br>Efficiencies with Signal Maintenance        | 27,000              | One-Time              |
| Special One-Time Projects      | Enhance Customer Convenience to include<br>Credit Card Acceptability Program                 | 250,000             | One-Time              |
| Special One-Time Projects      | Funding for a Disparity and Availability Study   | 250,000             | One-Time              |
| Special One-Time Projects      | Funding for the Defense Transformation Institute   | 100,000             | One-Time              |
| Special One-Time Projects      | Funding for Professional Services to Evaluate<br>Succession Management                       | 250,000             | One-Time              |
| <b>Total</b>                   |  | <b>\$10,952,223</b> |                       |
| <b>Recurring Improvements</b>  |  | <b>\$6,900,228</b>  |                       |
| <b>One-Time Improvements</b>   |  | <b>4,051,995</b>    |                       |
| <b>Total</b>                   |  | <b>\$10,952,223</b> |                       |

## Budget Summary

### Summary of All General Fund Enhancements by Service Delivery Category

The following table summarizes by Service Delivery Category the total combined enhancements included within the FY 2006 Proposed Budget. Total improvements as described in the prior pages of the Budget Summary are considered those that address City Council Priorities and Other Enhancements. The combined funding as shown below is \$26.6 million including the \$3.55 proposed increase to the General Fund Reserve for Revenue Loss.

#### Total FY 2006 Proposed General Fund Improvements by Service Delivery Category

| Service Delivery Category               | \$ Budgeted         | % Allocated   |
|---|---------------------|---------------|
| Streets & Infrastructure                | \$6,259,510         | 23.8%         |
| Public Safety                           | 4,110,204           | 15.6%         |
| Parks & Recreation                      | 617,735             | 2.3%          |
| Neighborhood Services                   | 229,702             | 0.9%          |
| Health & Human Services                 | 2,675,783           | 10.2%         |
| Economic Development                    | 583,629             | 2.2%          |
| Convention, Tourism & Culture           | 100,000             | 0.4%          |
| Employee Compensation                   | 4,702,884           | 17.9%         |
| Administrative & Operational Excellence | 3,481,815           | 13.2%         |
| Reserve for Revenue Loss                | 3,550,000           | 13.5%         |
| <b>Total</b>                            | <b>\$26,311,262</b> | <b>100.0%</b> |

#### All General Fund Proposed Improvements

|                          |                     |
|--------------------------|---------------------|
| Recurring Improvements   | \$15,335,281        |
| One-Time Improvements    | 7,425,981           |
| Reserve for Revenue Loss | 3,550,000           |
| <b>Total</b>             | <b>\$26,311,262</b> |

**Revised FY 2007 General Fund Forecast**

In the June Five Year Financial Forecast, the General Fund's FY 2006 ending balance was projected to be a positive \$2.077 million. Since June, the City has received additional actual sales tax revenue, CPS revenue and the Certified Property Tax Roll for Tax Year 2005 from Bexar Appraisal District. With the preparation of the FY 2006 Budget, service costs estimated during the forecast development were slightly lower than initially forecasted. These budgets combined with final lower FY 2005 estimated expenditures allowed for additional resources. By managing recurring improvements, proposing recurring reductions and revenue enhancements, combined with higher than projected revenues and lower than forecasted expenditures, the FY 2007 General Fund Forecast has been preliminarily revised as summarized in the table below. The updated FY 2007 General Fund Ending Balance—depending on the actual savings realized from policy issues within the FY 2006 Proposed Budget such as the Retirement Incentive Initiative—has been re-forecasted to be one third lower or in the range of a \$22.2 million to \$21.1 million shortfall as compared to the initial negative ending FY 2007 balance of \$33.7 million.

**Revised FY 2007 General Fund Forecast**

|                                 | <b>FY 06<br/>Budget</b> | <b>June 2005<br/>FY 07<br/>Forecast</b> | <b>Updated<br/>FY 07<br/>Forecast</b> |
|---------------------------------|-------------------------|---|---------------------------------------|
| <b>Revenue</b>                  |                         |   |                                       |
| Beginning Balance               | \$47.227                | \$2.077                                 | \$0.050                               |
| Operating Revenue               | 676.029                 | 692.425                                 | 706.938                               |
| <i>Total Revenue</i>            | <i>\$723.256</i>        | <i>\$694.502</i>                        | <i>\$706.988</i>                      |
| <b>Expenditure</b>              |                         |   |                                       |
|                                 |                         |   | ▼ Range* ▼                            |
| Service Delivery Costs          | 723.206                 | 728.230                                 | 729.280 728.167                       |
| <i>Total Costs</i>              | <i>\$723.206</i>        | <i>\$728.230</i>                        | <i>\$729.280 \$728.167</i>            |
| <b>Ending Balance</b>           |                         |   |                                       |
|                                 | <b>\$0.050</b>          | <b>(\$33.728)</b>                       | <b>(\$22.292) (\$21.179)</b>          |
|                                 |                         |   | ▲ Range* ▲                            |
| <i>Reserve for Revenue Loss</i> | <i>\$ 26.718</i>        | <i>\$ 23.168</i>                        | <i>\$ 26.718</i>                      |

\*Note: Projected range in Service Delivery Costs and Ending Balance impacted by realized savings from Retirement Incentive Initiative

## Budget Summary

### Service Delivery Change Detail

The following section of the Budget Summary focuses on significant City Service funding changes included within the FY 2006 Proposed Budget. Changes are detailed Mandates/Improvements, Revenues, and Reductions/Redirections. Program changes have been evaluated and proposed within the budget to address City Services identified for funding review during the July 2005 City Council Goal Setting & Prioritization Worksession. Additionally, the Proposed Budget recommends several new initiatives and programs that allow for more efficient delivery of City Services at a lower recurring cost, better customer convenience and improved total workforce compensation.

For a complete listing of all City Service changes for all funds that have been included as part of the FY 2006 Proposed Budget, refer to the Program Changes section of the Proposed Budget document. Listed within that section are each of the proposed improvements, redirections/reductions and mandate policy issues along with their associated costs and savings.

### Streets & Infrastructure

**Street Maintenance – Contractual and City Forces** Through City Council direction, the FY 2006 Proposed Budget continues the increased focus on infrastructure by adding resources for street maintenance. The City annually allocates funding for contractual street maintenance services with an emphasis on street resurfacing and rehabilitation. Additionally, City crews perform annual street maintenance services. Street maintenance programs are necessary to mitigate pavement stress caused from age, utility cuts, poor drainage, underlying soil conditions, extreme temperatures, and overloading from heavy trucks and buses. The objectives of the street maintenance program include the following.

#### **Street Maintenance Objectives**

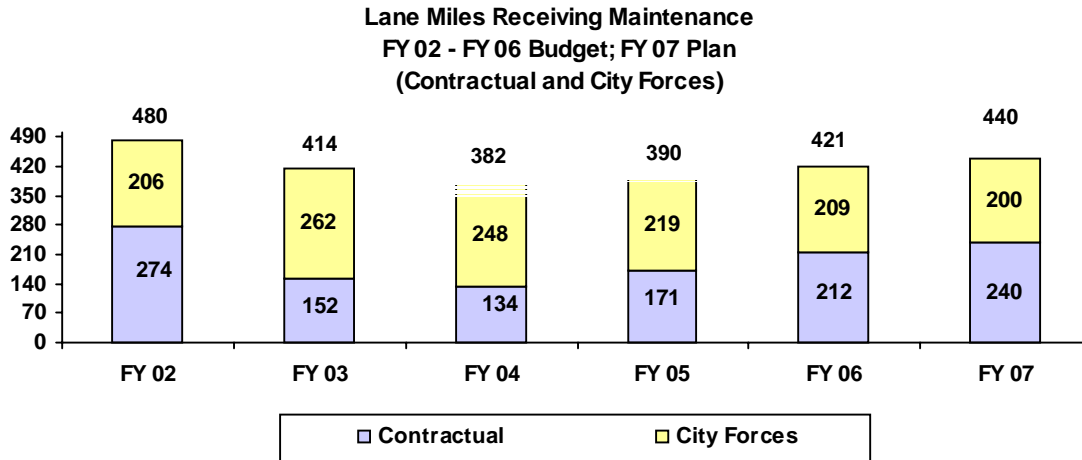
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- Provide smooth vehicular pavement surfaces
- Extend the life of existing streets
- Improve skid resistance for safety
- Reduce water ponding conditions
- Eliminate potholes
- Reduce long-term street repair costs
- Respond to public demand for quality streets

In the FY 2005 Adopted Budget, the City included a one-time improvement of \$1.0 million to enhance the Contractual Street Maintenance Program. The one-time improvement increased the Contractual Street Maintenance Program's FY 2005 Revised Adopted total to \$7.7 million. During the fiscal year, through separate action, City Council authorized an additional \$4.0 million one-time transfer from the Economic Development Incentive Fund (EDIF) to the Streets Maintenance Fund for contractual street maintenance. This action was consistent with policy proposals outlined during the adoption of the FY 2005 Budget that addressed the use of remaining EDIF dollars along side the expanded use of the City Public Service Underground Utility Conversion Fund to include economic development purposes. The \$4.0 million transfer increased the appropriation for the Contractual Street Maintenance Program to \$11.7 million for FY 2005.

Of the additional \$4.0 million, \$1.2 million was used to mitigate escalating bid prices as a result of higher petroleum/petroleum bi-products. As a result of the additional \$1.2 million, the City Council selected lane miles were able to be completed in the fiscal year maintenance program. The remaining \$2.8 million was divided amongst the ten City Council Districts to give each district an additional \$280,000 in street maintenance. Based upon street application type, the \$11.7 million in FY 2005 will allow for an estimated 390 lane miles of street maintenance throughout the City.

During the City Council Goal Setting session that provided service delivery strategy for FY 2006, Street Maintenance was selected as the highest priority for additional resources in FY 2006. To address this, the FY 2006 Proposed Budget includes an additional \$10 million for contractual street maintenance. An estimated 421 lane miles of streets will receive maintenance applications depending on the type of application selected. This increase consists of \$5.0 million in recurring General Fund resources and \$5.0 million in programmed Certificates of Obligation included within the Six Year Capital Improvement Plan for a total of \$16.7 million.



Consistent with the City Council's direction to look for opportunities to develop a two year budget plan, current proposed financial projections for FY 2007 allow \$10 million in Certificate of Obligation resources to be added to the General Fund Contractual Street Maintenance base amount of \$11.7 million providing a new total of \$21.7 million. As the table details below, the FY 2006 total funding for the Contractual Street Maintenance Program is funded at \$16.7 million, or close to three-times the recurring funding included in the FY 2005 base program. This strategy is achieved within the current Debt Management Plan and will allow for an increase in lane miles maintenance in both FY 2006 and FY 2007.

**Contractual Street Maintenance  
FY 2006 Proposed Budget & FY 2007 Plan**

| Funding Source             | FY 2005             | FY 2006             | FY 2007             |
|----------------------------|---------------------|---------------------|---------------------|
| General Fund One-Time      | \$5,000,000         | \$0                 | \$0                 |
| General Fund Recurring     | 6,734,319           | 11,734,319          | 11,734,319          |
| Certificates of Obligation | 0                   | 5,000,000           | 10,000,000          |
| <b>Total Funding</b>       | <b>\$11,734,319</b> | <b>\$16,734,319</b> | <b>\$21,734,319</b> |

## Budget Summary

Added resources for materials, employee compensation and benefits and operating cost such as fuel and fleet costs add an additional \$1.9 million to the Street Maintenance & Improvements Fund in FY 2006. As depicted in the table below, this equates to an overall funding increase for all street programs and services within the Street Maintenance Fund of 18% above the FY 2005 Revised Adopted budget. The overall City Forces & Materials budget includes all the Programs provided by the Streets Division such as Street Maintenance, NAMP, Demolition, Pothole Repair and Dispatch services.

**Total Street Maintenance Program Budget & Forecast  
FY 2006 Proposed Budget & FY 2007 Plan**

| <b>Funding Source</b>                 | <b>FY 2005</b>      | <b>FY 2006</b>      | <b>FY 2007*</b>     |
|---------------------------------------|---------------------|---------------------|---------------------|
| <b>City Forces &amp; Materials</b>    | \$26,708,720        | \$28,697,623        | \$28,251,575        |
| <b>Contractual Street Maintenance</b> | 11,734,319          | 16,734,319          | 21,734,319          |
| <b>Total Funding</b>                  | <b>\$38,443,039</b> | <b>\$45,431,942</b> | <b>\$49,985,894</b> |

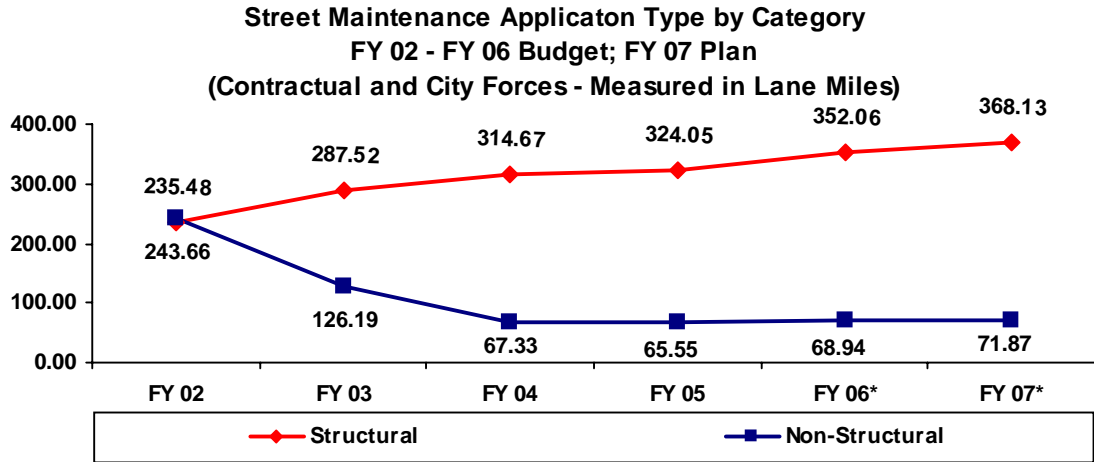
\*Note: FY 2007 City Forces & Materials estimate assumes 2% inflationary adjustment over FY 2006 and removes \$1 M in One-Time NAMP funding.

It is important to note that while the amount of one-time and recurring funding for the Street Maintenance Program (Contractual and City Forces) has increased 22% from FY 2002 to FY 2005, the amount of lane miles receiving maintenance decreased 19% during the same period of time. This results from two primary factors. The first being inflation especially for materials as experienced in FY 2005. The second significant reason for the variance results from the fact that in recent years the street maintenance work performed has been the more expensive structural repair application rather than the lesser costing routine or surface repair applications. The following table details those applications that fall within the two maintenance treatment categories.

**Street Maintenance Application Types by Category**

| <b>Non-Structural Treatment</b>  | <b>Structural Treatment</b>  |
|--|--|
| <b>Routine Repair/Surface Seal</b>   | <b>Base &amp; Surface Placement</b>  |
| <b>Joint/Crack Seal</b><br><b>Slurry Seal Coat</b><br><b>Micro Surface</b><br><b>Chip Seal</b> | <b>Mill/Asphalt Overlay</b><br><b>Asphalt Recycling/Overlay</b><br><b>Full-Dept Reclamation</b><br><b>Remove/Replace</b> |

As the following graph details, in FY 2002, non-structural application types exceeded structural applications by more than eight lane miles. Today, and projected for FY 2006 and FY 2007, structural application use far exceeds routine repair and surface seal treatments.

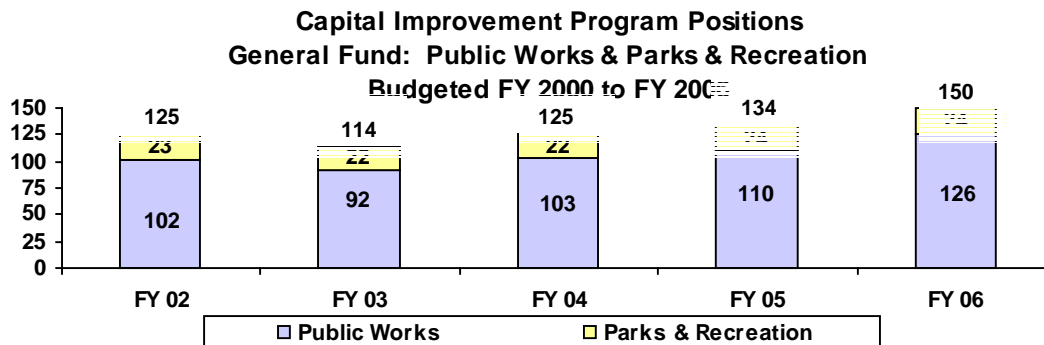


**Two-year Street Maintenance Program Advantages** The FY 2006 Proposed Budget outlines a two-year contractual street maintenance bidding strategy. Rather than bid in annual increments, staff proposes to utilize funds budgeted in FY 2006 and funds planned in FY 2007 to lock in prices and quantities. Benefits of this strategy include lower unit costs due to higher quantities, potential increases in the number of contractors willing to bid, staff flexibility to schedule similar street applications on a larger scale, and time savings in bid preparation and project identification over the two year period.

**Contractual NAMP Enhancement** The Neighborhood Access Mobility Program (NAMP) allocates annual funding to each City Council District to be used for specific projects identified by the respective council member. The NAMP program includes projects such as small street repairs and medians, sidewalk and pedestrian walks, speed humps, street lights, traffic signals, and school flashing beacons. The FY 2006 Proposed Budget again includes \$2.0 million for NAMP. Additionally, new one-time resources for contractual NAMP in the amount of \$1 million (or \$100,000 per City Council district) are also included. The total NAMP budget would be \$3 million for FY 2006, or \$300,000 per City Council district.

**Implementation of G.O. Bond Programs, HUD 108 Loan Program, LAM, & ATD** Beginning with the 1999 Bond Program, the City has added several positions and funding for materials within the Public Works and Parks & Recreation Departments to address the increase in work volume to ensure completion of bond projects by identified dates. The most recent programs to the City's Capital Improvement Plan were the 2003 Bond Program, the 2005 Storm Water Revenue Bond Program, and the Housing and Urban Development (HUD) 108 Loan Program. The \$115 million 2003 Bond Program consists of 113 street, drainage, library, park, public health, and safety projects. The \$60.1 million 2005 Storm Water Revenue Bond program includes eleven drainage projects. The Six Year Capital Improvement Plan includes 74 projects associated with the HUD 108 Loan Program.

## Budget Summary



Funds in the amount of \$32,510 are budgeted in the FY 2006 Proposed Budget to provide three additional positions (one Contracts Administrator, one Contracts Coordinator, and one Sr. Financial Accountant) in the Public Works Department to manage local area capital projects currently in the CIP that are funded by TxDOT. The budgeted dollars represent 20% of the cost as 80% of the costs would be reimbursed by the MPO. Recently, the Federal Highway Administration (FHWA) determined that the state departments of transportation may delegate the authority of project management to local public entities. The decision made by FHWA affects the City because TxDOT has decided that any MPO project advertised after October 1, 2005 will be managed by the City. For this reason, a Local Area Management Agreement (LAM) is necessary. The LAM will set the minimum procedures that the City must follow in order to ensure conformance with the federal requirements so that funding of MPO projects will continue. The City currently is working on LAM agreements with TxDOT on seven projects as a pilot.

**Advanced Transportation District Funding** In 2004 voters approved the Advanced Transportation District (ATD) adding a 1/4-cent sales tax increase to support the funding of projects from VIA, TxDOT and the City of San Antonio that would increase mobility, reduce traffic congestion, improve neighborhood connectivity, leverage resources, and provide coordinated planning. The City's share of ATD revenue is projected to be \$10.2 million in FY 2006 and can be used for improvements under the "Follow the Bus" concept whereby VIA transit corridors become the footprint for ATD projects. A hybrid-funding concept as presented to the City Council in June 2005 would be used to provide \$10.2 million for projects and program management in each of the first three years followed by a combination of \$5.45 million per year in "pay as you go" projects and the remaining \$5.45 million funding approximately \$64.0 million in revenue bonds. The bond payback period is estimated at 25 years. The FY 2006 Proposed Budget includes ATD-funded staffing complement of thirteen positions for program management and allocates ATD resources to conduct all functions related to scoping, engineering, and delivering ATD project. The cost for staff and one-time capital and support needs in FY 2006 would total \$1.772 million and would be funded with ATD funds.

**November 2007-2011 General Obligation Bond Election** The City's current debt management plan shows capacity for a General Obligation Bond Election for November 2007. Based on the assumption of the projected maximum debt service tax rate of 21.15 cents, the estimated 2007 bond authorization would be approximately \$210 million. The last bond election was approved in November 2003. The total authorization for the 2003 Bond Program was \$115 million. The City's current debt management plan includes a schedule of future sales of general obligation bonds every four years beginning in November 2007. In advance of this potential election, the FY 2006 Proposed Budget sets aside \$200,000 in one-time funds for architectural and engineering services to provide cost estimates for City Council Members during the project development and selection process that will precede the Bond Program.

**Downtown Comfort Stations & Rest Stop** During the July City Council Goal Setting session, the need for additional downtown public restrooms was identified by the Council as one of the 19 items recommended for funding review. The FY 2006 Proposed budget includes \$500,000 from Certificates of Obligation to pay for construction of a rest stop to be located at the Riverbend Garage at Presa and Commerce Street. The FY 2006 Proposed Budget also includes funding from the Advanced



Transportation District of \$500,000 for two Comfort Stations to be co-located to service VIA bus route transfer points. These facilities would include a self-cleaning, automated restroom unit and a water fountain. Other amenities, depending on the site, may include seating or shade. The facilities would be available to use by patrons open twenty four hours a day seven days a week.

## Public Safety

**Police & Fire/EMS Services** The FY 2006 Proposed Budget includes major service delivery enhancements for public safety services provided by the Police and Fire/EMS Departments. A Total of \$14.7 million is proposed within the budget and would provide funding to support recurring expenses such as contractually mandated increases to salary and incentive pay and to acquire one-time enhancements (through out-right acquisition and capital lease payments) such as pumper trucks and equipment. The following table summarizes both the personnel enhancements and equipment acquisition included within the FY 2006 Proposed Budget.

### FY 2006 Proposed Public Safety Enhancements

| <u>Personnel Service Enhancement</u>  | <u>Equipment Acquisition</u>  |
|---|---|
| <ul style="list-style-type: none"> <li>▪ 7 Police Patrol Officers</li> <li>▪ 24 Paramedics</li> <li>▪ 15 Fire Station Personnel (Annexation)</li> <li>▪ 2 Civilians for Fire Payroll</li> </ul> | <ul style="list-style-type: none"> <li>▪ 1 Patrol Helicopter</li> <li>▪ 1 Police Patrol Cruiser (Annexation)</li> <li>▪ 2 EMS Ambulance Units</li> <li>▪ 13 Replacement Fire Pumper Trucks</li> <li>▪ 1 Fire Pumper Truck (Annexation)</li> <li>▪ 40 12-Lead Electrocardiogram Units</li> </ul> |

In FY 2005, several enhancements were initiated for Fire/EMS service such as fire apparatus acquisition and the purchase of a facility to store equipment purchased with Homeland Security Grant Funds. The table below summarizes the date of each item acquired in the current fiscal year and the total value of the acquisitions.

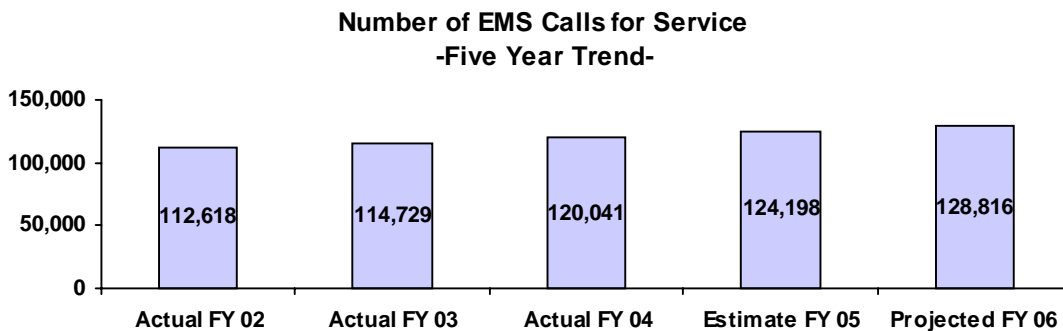
### **Fire/EMS Equipment Acquisition Enhancements Acquired in FY 2005**

| <b>Purchase Date</b>                              | <b>Item</b>                                 | <b>Cost</b>         |
|---|---|---------------------|
| October 2005                                      | Equipment Storage Facility                  | \$941,150           |
| January 2005                                      | 2 Aerial Ladder Trucks                      | 1,108,597           |
| February 2005                                     | Self Contained Breathing Apparatus (SCBA)   | 1,882,182           |
| June 2005   | 11 Aerial Ladder Trucks and 2 Pumper Trucks | <u>7,160,818</u>    |
| <i>Total Capital &amp; Operating Expenditures</i> |   | <i>\$11,092,747</i> |

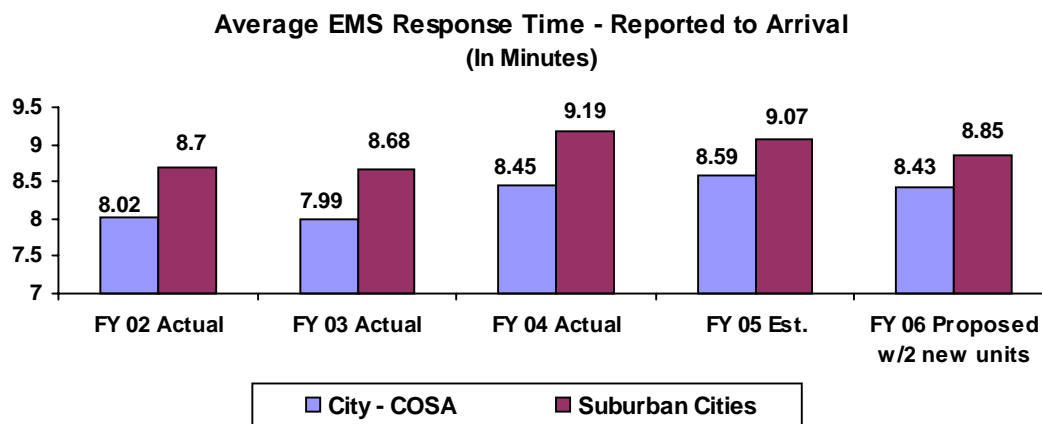
Funds are also included within the Six Year Capital Improvement Plan for Police and Fire infrastructure development and improvements. The final phase of the Public Safety Integrated Technology System and repairs to the Police Central Headquarters Building and Police Training Academy set will require approximately \$4.94 million in FY 2006 and FY 2007 in capital budget funding. For Fire services, a new fire station for Southside-areas included within the current Annexation Plan, fire station renovations, and fire station replacements, and work to the Fire Facilities Building will require over \$37 million in the six year period of the Proposed Capital Improvement Plan.

## Budget Summary

**Two Additional EMS Units** Included in the FY 2006 Proposed budget is funding in the amount of \$1.75 million that would add two full-time Emergency Medical Services (EMS) units and 24 Fire Apparatus Operator positions. Included in the total costs are one time dollars in the amount of \$499,808 for the purpose of acquiring the ambulance units. From FY 2002 through projected FY 2006, the number of calls for EMS service will increased by 14.4% as indicated in the graph below.



Currently, service is provided to the City of San Antonio and four suburban cities with the equivalent of 26 fulltime EMS units each staffed with two paramedics, 24 hours a day, 365 days a year. The enhancement would increase the number of full-time EMS Units from 26 to 28 units. The two new units are intended to be placed at two locations in the City that have been experiencing the highest calls for service. One unit would be in service in the beginning of FY 2006 and the other in mid fiscal year. With the addition of two units, current Peak Period Service assigned to the high-call volume areas will be redirected to other areas of the City where the need is greatest during periods of high service demand. As indicated in the bar graph below, the two additional EMS Units would improve average reported to arrival response times for areas within San Antonio City limits and within the four suburban cities currently contracted for City EMS services. The projected average response time for EMS service is projected to decrease by 16 seconds for city areas and by 22 seconds for contracted suburban cities in FY 2006 over the current year response estimates as a result of this proposed improvement.



**EMS Dispatching System Enhancements** The FY 2006 Proposed Budget includes funding in the amount of \$183,037 to enhance the level of peak period emergency medical dispatching services. Peak period dispatching service is currently used an average of three hours and forty two minutes per day providing dispatching coverage during times of high call volume. This system improvement would provide overtime funding to add an additional of 12 hours and 18 minutes of peak period dispatching services per

day for a combined total daily average of 16 hours. City Fire/EMS personnel dispatch and coordinate the operations of all full-time and Peak Period units responding to over 124,000 dispatches annually or over an average of 5,000 dispatches each day.

**Upgrade Electrocardiogram Devices** One-time funding in the amount of \$366,597 is included in the FY 2006 Proposed Budget to allow the replacement and installation of 40 upgraded Electrocardiogram (EKG) devices. From 1974 to 2002 the City had used EKGs with three leads in all EMS units. In the FY 2002 Budget, funding was allocated for the upgrade and replacement of ten 3-Lead EKGs with EKGs having 12 leads. The proposed FY 2006 improvement would replace all remaining EKGs having three leads with EKGs having 12 leads for all active and spare EMS units. Additionally, funding is included to acquire a five year service maintenance agreement and to set-aside the first year future replacement costs within the City's Equipment Renewal & Replacement Fund. The 12-Lead EKGs will enable paramedics to better assess, treat, and medicate patients suffering from heart-related illnesses and arrhythmias that would otherwise remain undetected in the pre-hospital setting and will shorten the critical hospital door-to-treatment time period.

**Fire Apparatus Replacement** Currently the Fire Department maintains 24 firefighting apparatus classified as aerial or ladder trucks and 60 apparatus classified as pumper or engine trucks. These trucks are primarily used to carry firefighting personnel, equipment, and fire extinguishing mechanisms. Ladder trucks, equipped with a long-extended ladder, are the primary apparatus used to assist fire personnel with fires in high-rise structures and in high-water rescues. The following table reflects the current status of fire apparatus highlighting what is currently not within the City's Replacement Fund.

**Current Fire Apparatus within the City's Replacement Fund**

| Type of Apparatus            | Total Fleet Size (City) | Number of trucks in Equipment Replacement & Renewal Fund | Number of trucks not in Equipment Replacement & Renewal Fund |
|------------------------------|-------------------------|--|--|
| Engine (Pumper)              | 60                      | 47   | 13   |
| Aerials (Ladder)             | 24                      | 24   | 0  |
| <b>Total City Fleet Size</b> | <b>84</b>               | <b>58</b>  | <b>13</b>  |

On June 30, 2005, City Council approved a Municipal lease-purchase plan utilizing identified available capacity in the Fire Department's FY 2005 and FY 2006 current service budget for the purchase of eleven aerial ladder trucks and two pumpers. The eleven ladder trucks will replace that part of the fleet that has serious aerial problems deemed irreparable. Ten of the trucks requiring replacement will be eighteen years old by the time of replacement and one will be seventeen years old. The two pumpers will replace eighteen-year old apparatus. The replacement of all thirteen trucks will also be funded over a fifteen period within the City's Equipment Replacement Fund.

Continuing the enhancement to Fire/EMS services, the FY 2006 Budget addresses the need to replace the remaining 13 pumper fire engines that have reached or exceeded their useful life but were not included within the City's Replacement Fund when they were purchased in the 1980s. The pumpers would be purchased using a Five-Year Municipal Lease Purchase Program similar to the one previously mentioned. The total cost of the Municipal Lease Purchase Program with a term of five years, would be \$5,202,473. Included in FY 2006 Proposed Budget is \$274,944 for the first year debt service payment as well as \$285,649 for the annual Replacement Fund Requirement. In FY 2007, the debt service payment and Replacement Fund costs would total \$1.33 million. This improvement would also decrease the average age of the pumper fleet from 10.41 years to 7.38 years. With this proposed improvement, all Fire Apparatus Vehicles (60 Engine Pumpers and 24 Aerial Ladders) would be in the City's Replacement Fund.

**Fire Station – Annexation Plan** Included in the FY 2006 Proposed Budget is \$1.355 million to support a new fire station and fire company that would provide fire services to Southside Initiative areas near the Toyota Manufacturing Plant as indicated in the Proposed Three Year Annexation Plan. This mandate includes the one-time costs of a fire pumper truck (\$402,000) and the recurring costs of the following

## Budget Summary

added fifteen fire personnel: one Captain, two Lieutenants, three Fire Apparatus Operators, and nine Firefighters. The Proposed Six Year Capital Plan includes funding to provide for a temporary and permanent fire station. The capital costs in FY 2006 total \$641,000 and total \$2.89 million in FY 2007.

**Fire Payroll Service Enhancement** The FY 2006 Proposed Budget includes \$77,522 in recurring funds to add two positions to the Fire Department's payroll section. To adequately implement the full use of the SAP payroll function within the Fire Department's payroll process, the department has relied on staff services through the use of the City's Alternate Employee Services Pool. This enhancement would replace the use of the Alternate Services with a full-time Accountant II and Special Projects Officer position.

**Patrol Officers** The Proposed Budget includes \$355,775 to add seven new Police Officers in FY 2006. The added resources cover first year salary costs as well as one-time cadet costs such as police radios and other field equipment. One Police Officer would assist in covering newly annexed Southside areas as included in the Three Year Annexation Plan. The remaining six would provide service in areas throughout the City. During FY 2006, the seven new officers would be completing cadet class and field training. By FY 2007, improvements in the patrol availability factor (PAF)—an estimated 0.36%—are projected from the addition of six of the seven additional patrol officer positions. The Annexation Patrol Officer would be providing public safety services to newly annexed areas and will not necessarily improve current city-wide PAF. The PAF is a measurement of the actual time a patrol officer is available to patrol as apposed to time needed to respond to calls or to perform administrative duties such as case reporting. An increase in the PAF provides an enhanced public safety service in that it allows Patrol Officers to cover unforeseen and special events, reduces officer response times, provides time for officer initiated activities and increases the probability that apprehensions will increase.

|  | <b>Actual<br/>FY 2004<br/>Base Line</b> | <b>Estimated<br/>FY 2005</b> | <b>Proposed<br/>FY 2006</b> | <b>Projected<br/>FY 2007</b> |
|--|---|------------------------------|-----------------------------|------------------------------|
| <b><i>Patrol Availability Factor</i></b> | 39.78%                                  | 41.72%                       | 42.06%                      | 42.42%                       |

Along with the FY 2006 Budget recommendation to add six new patrol officers, the Temporary Crime Control and Prevention District (CCPD) Board is currently proposing to fund additional San Antonio Fear Free Environment (SAFFE) Officers for the San Antonio Police Department should the voters approve the District in November 2005. Currently, there are 13 SAFFE Officers assigned to each of the six police substations throughout the city for a total of 78 SAFFE Officers. If voters do not approve the CCPD, the Police Officers positions within the FY 2006 proposed improvement described above could be converted to SAFFE Officers in FY 2006.

In addition to the enhanced public safety services achieved by adding six new patrol officers (or SAFFE Officers) in FY 2006, the Police Department will continue to improve PAF and response times through the continuation of an initiative completed in FY 2005. This initiative provided for the utilization of civilian employees for administrative duties while redirecting sworn officers to field duties. Two Sergeants, three Detective-Investigators, and one Patrol Officer were placed into the field beginning in mid-FY 2005 and will continue to provide continued coverage in FY 2006 in Patrol, Sex Crimes and White Collar Crimes. The projected annual impact of this program change included in the Proposed Budget for FY 2006 is \$179,964. As the table summarizes above, the PAF is projected to increase as a result of the Redirection initiative as well as from adding the six patrol officers in FY 2006.

**Police Helicopter Replacement** The FY 2006 Proposed Budget includes approximately \$237,611 in one-time funding to be used toward the replacement of a San Antonio Police helicopter that crashed at Stinson Field during a training maneuver in 2005. Recently, the insurance settlement of \$563,333 was received. However, the latest estimate to replace the aircraft is \$800,994. This improvement will provide

the difference of \$237,611 needed to replace the crashed aircraft. In total, the Police Department will have four patrol helicopters that will provide aerial patrol coverage.

**Crime Control Prevention District** State law allows cities to establish a special taxing district for crime control and prevention. The efforts to create such a district for San Antonio were initiated in 2004 by the San Antonio Crime Prevention Commission and the San Antonio Police Department. On September 23, 2004, the San Antonio Crime Prevention Commission presented a proposal to establish a Crime Control Prevention District (CCPD) to the City Council during a "B" Session. This interest culminated in the City Council forming a temporary board to take the steps necessary to create the district. The temporary board was appointed by City Council on April 28, 2005. The CCPD then engaged in preparing a two year plan and a two-year budget which was presented to City Council on August 10, 2005. Once Council reviews this two year plan and budget, the temporary board is authorized to hold an election asking the voters whether the District should be created and the sales tax collected. The proposed date for this election is November 8, 2005.

Currently, the San Antonio Police Department is funding overtime expenses for police staff and expenses associated with the creation of the proposed District. The City's estimated cost for holding the proposed election is approximately \$709,640. Funds in this amount are included in the FY 2006 Proposed General Fund. The City is then reimbursed from future sales taxes collected. If the voters do not approve the creation of the district, the costs are absorbed by the City. If the voters approve this tax initiative, the Crime Control Prevention District will be created and a one-eighth sales tax will be collected starting April 2006.

After the November 2005 Election, the temporary board will be replaced immediately with a permanent board appointed by City Council and empowered to implement the District's plans and budgets. Besides appointing the permanent board, the City Council has limited authority over the Crime Control and Prevention District and may only accept or reject the annual budget submitted for the third and subsequent years by the District. The City Council must work with the District to amend and approve any rejected budget but cannot directly amend the District's budget. This District exists for five years and can only continue in existence if the voters renew its existence at an election. The District's fiscal year will be from November 1 to October 31. The projected initial revenue from the one-eighth cent sales tax is \$11 million based on seven months of collection (from April thru October).

**Family Domestic Violence Prevention** Recognizing the seriousness of domestic violence, it is recommended in the FY 2006 Proposed Budget that \$300,000 be used to continue services to combat domestic violence. It is expected that the Early Intervention for Women Living in Domestic Violence grant program within the City Attorney's Office will not receive federal funding in FY 2006. This grant currently provides domestic violence intervention services with five full-time staff members. Additional intervention services losing grant funding for FY 2006 is the Crisis Assistance Team Administration program within the Police Department. This program provides administrative and operational support to the San Antonio Police Department's Crisis Assistance Teams. The program's state grant funding is anticipated to be reduced by 50% in FY 2006. This would result in funding sufficient for one of the two current full-time staff members.

**Development Services Enhancements** The FY 2006 Proposed Budget allocates \$364,963 to fund several service delivery enhancements for the Development Services Department as outlined below.

- Additional Building Inspectors \$132,028
- Development Service Call Center \$61,788
- Mail-In Plan Review Services \$29,802
- Investigative Inspections Team \$141,345

Two inspector positions—one Building Inspector and one Electrical Inspector—would be added in FY 2006 to assist with meeting the department's increased demand for building inspections. Two new Development Services Representatives would be added to staff a call center to improve customer service

## Budget Summary

and provide centralized Development Services information for the public. A new Development Services Specialist position would be added to process and coordinate commercial plans that are sent for review through the mail. Finally, two inspector positions would be added to form a Development Services investigative team. The investigation team would search for construction sites operating without permits and ensure that proper permits are secured prior to commencement of construction. The costs for the new investigative team will be offset by the additional permit revenue that would be collected from building sites not having permit compliance.

## Parks & Recreation

**After School Activities Enhancement Initiative** The Parks and Recreation department currently offers several recreation opportunities to San Antonio's youth through 26 City community centers. These activities include various sports, arts and crafts, games, and social events. Currently, the community centers offer only drop-in activities for the participants. The FY 2006 Proposed Budget includes a proposed enhancement funded from redirected dollars totaling \$217,815 that would allow the community centers to provide a more structured and greater staffed after-school activities program from 3:30 PM to 6:00 PM, Monday through Friday. Funds would be used to increase the hours for part-time staff from 20 per week to 28 per week as well as hire temporary staff during the core program hours to implement more structure and supervised activities. These activities would include organized sports, crafts, games, holiday and theme activities as well as other indoor/outdoor activities. Temporary staff would be hired to visit each of the 26 community centers once each week during the after school hours to offer enrichment services to include science, fine arts and math-related activities. The enhancement would also include funding for additional supplies for community centers to augment the after-school activities.

**Proposition 1 & 2: Aquifer Protection/Linear Creeks Venue Projects** On May 7, 2005 the City held an election to impose a one-eighth (1/8<sup>th</sup>) cent sales and use tax to provide for Edwards Aquifer protection and expanded park development. Proposition No. 1, entitled "The Edwards Aquifer Protection Venue Project", and Proposition No. 2, entitled "The Parks Development and Expansion Venue Project", were approved by the voters. Propositions 1 and 2 are continuations of the 2000 Proposition 3 program that was used to acquire and improve Edwards Aquifer properties and water ways along Leon and Salado Creeks.

Both Propositions 1 and 2 provide for the collection of a one-eighth (1/8<sup>th</sup>) cent sales and use tax. Receipts aggregating up to \$135 million are to be used as follows:

- \$90 million to be utilized for the acquisition of property and/or conservation easements over the Edwards Aquifer area.
- \$45 million to be used for the acquisition of linear parks along Leon Creek, Salado Creek, Medina River, and the continuation of improvements San Antonio River. Along with the acquisitions of properties, this funding will be used for completion of trails and trailhead improvements. The funding will also be provided to link Medina River Park to Mitchell Lake and improve sidewalks, lighting and other river amenities along the San Antonio River.

As land is acquired, the design and construction process will begin for the hike and bike trails. Acquiring the land and following immediately with building the trails will result in more trails and natural areas ready for public use. The one-eighth (1/8<sup>th</sup>) cent sales tax collection will start on October 1, 2005. Included in the first year Six Year Capital Improvement Plan is the projected collection of \$20.37 million in sales tax revenue for Proposition 1 and 2. The FY 2006 capital program includes \$13.33 million for land acquisition over the Edwards Aquifer. Additionally, 6.67 million is scheduled in FY 2006 for land acquisition and improvements within the Leon and Salado Creek watersheds.

**Park Police & Maintenance Support—Aquifer Protection Land/Linear Parkway System** The FY 2006 Proposed Budget includes over \$246,000 to add public safety and maintenance service for aquifer protection parkland and linear trails to be acquired from the Proposition 1 & 2: Aquifer Protection/Linear Creeks Venue described above. Partial year funding for five full-time positions provides one Park Police Officer, two Maintenance Workers, one Park Naturalist, and one Parks Crew Leader. One-time funds totaling \$94,470 would be used to acquire the necessary vehicles and equipment. This staffing support will provide basic security and property management.

**Park Support & Recreation Services—G.O. Bond Program Facilities** Included in the FY 2006 Proposed Budget is over \$602,000 for public safety, recreation and support services for park facilities acquired or enhance with General Obligation Bond Programs. Partial year funding for five full-time positions provides one Park Police Officer, two Maintenance Workers, and two Landscape Irrigators. One-time funds totaling \$47,970 would be used to acquire equipment. Non-personnel dollars would be used to secure contractual mowing and trimming services for the park properties and sports fields acquired with Bond Funds. Finally, additional lifeguard services would be added with funds sufficient to obtain eight alternate workforce employees.

**Special Events Office** The City of San Antonio recognizes the importance of promoting public participation in the arts, public celebrations and advancing tourism for the City. Funding in the FY 2006 Budget in a proposed redirection/improvement totaling \$194,532 would create a new Special Downtown Events Office for City-Wide events under the direction of the City Manager's Office. A position would be redirected from existing city resources and would assist with the coordination and management of special events, provide assistance with traffic and crowd control for streets, parks, and property maintenance, and would manage city aspects of the Public Improvement District (PID). This improvement would also redirect \$24,990 from the Public Works Department to the Special Events Office to be utilized for various traffic coordination services. In addition to redirected funds, the addition of new funds in the amount of \$100,000 would be used for event costs including street closures and street barricades associated with the operations of city-wide events.

### Neighborhood Services

**Animal Care** Historically, Animal Care Services' mission has been to provide rabies control prevention programs to the communities of San Antonio and Bexar County. This consisted of collecting stray and unwanted animals, investigating animal bite reports, quarantining of animals and enforcement of Chapter 5 of the City's animal code. This continues to be a main focus; however a change in how the City approaches animal care control issues is occurring. New programs are currently being developed that are designed to increase the number of animals that are adopted and placed in good homes.

## Budget Summary

In order to facilitate this change in philosophy and the City's approach to Animal Care Services, resources have been allocated in FY 2005 and additional resources are proposed within the FY 2006 Proposed Budget by increasing funding for animal care services by \$868,394 as summarized below.

### **FY 2006 Animal Care Enhancements included with the FY 2006 Proposed Budget**

#### **Personnel Complement (Add 9 Positions)**

|   |                  |
|---|------------------|
| One Animal Care Administrator position    | \$98,692         |
| One Shelter Manager position              | 56,330           |
| Three Veterinarian Technician positions   | 168,990          |
| One Special Projects Coordinator position | 56,330           |
| One Management Analyst position           | 47,692           |
| One Administrative Aide position          | 25,740           |
| One Volunteer Coordinator position        | 53,733           |
| <b>Total</b>                              | <b>\$507,507</b> |

#### **Euthanasia by Lethal Injections**

|   |                 |
|---|-----------------|
| Reclassification of Kennel Attendants to Veterinary Technicians | \$8,031         |
| Certification Pay for (6) Employees                             | 8,312           |
| Medical Supplies  | 25,000          |
| Injection Supplies  | 40,726          |
| Other Supplies  | 6,318           |
| <b>Total</b>  | <b>\$88,387</b> |

#### **Other Improvements**

|  |                  |
|--|------------------|
| Enhancement to Animal Resources Center—Spay Neuter | \$120,000        |
| Trap Neuter Release Program Pilot                  | 30,000           |
| Pet Ownership Education Initiative                 | 30,000           |
| A/C System – Adoption Center                       | 20,000           |
| Information/Technology Improvements                | 35,500           |
| Staff Training Enhancements                        | 10,000           |
| Clothing and Uniforms                              | 12,000           |
| Additional Funding for Temporary Services          | 15,000           |
| <b>Total</b>                                       | <b>\$272,500</b> |

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|  |                         |
|--|-------------------------|
| <b><u>Total Added Funding in FY 2006 Proposed Budget</u></b> | <b><u>\$868,394</u></b> |
|--|-------------------------|

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In order to help facilitate operations within the Animal Care Facility the Animal Care Services Fund was created using new and existing resources. This new fund consists of the reallocation of expenditures and revenues from the General Fund, Public Health Support Fund and the Bexar County Rabies Control Fund. Animal Control Fees and charges for service cover 16% of the total Animal Care Services operating budget. Therefore, the FY 2006 Proposed Budget includes a transfer of \$4.1 million from the General Fund to cover the remaining service costs estimated for FY 2006.



**Annexation Plan** The following is a summary of services by Department included within the FY 2006 Proposed Budget for annexation of Southside Areas #2 and #3 totaling \$1.5 million. The effective date of the Annexation of Areas #2 and #3 is January 5, 2006.

| <b>Southside Annexation Service Summary</b> |                           |
|---|---------------------------|
| <b>Department</b>                           | <b>FY 2006 Allocation</b> |
| Code Compliance                             | \$28,174                  |
| Development Services                        | 340                       |
| Fire  | 1,354,948                 |
| EMS   | 12,784                    |
| Health                                      | 19,868                    |
| Police                                      | 33,823                    |
| Public Works/Traffic                        | 5,149                     |
| Public Works/Streets                        | 10,805                    |
| <i>Total</i>                                | <i>\$1,465,891</i>        |

**Reserve for Northside Annexation Service Plans** This budget provides a reserve of \$3.7 million for implementation of the Northside Annexation plan. The service plans are currently being negotiated with the residents of each area. Services to be provided include street maintenance, police, fire, and EMS. City Council will take the final vote to either approve or disapprove the annexation in the fall of 2005. If approved, a separate ordinance will be brought to Council to create any necessary positions and to appropriate the funds in the individual departmental budgets providing the services. Areas included for the Northside Annexation Plans include the following:

- 1) Kyle Seale/1604 Area
- 2) Helotes Park Terrace/The Park at French Creek Area
- 3) Canyon Springs/Summarglen Area
- 4) Oliver Ranch Area
- 5) Sendero Ranch Area
- 6) Indian Springs Area
- 7) Evans/Bulverde Road Area

These seven areas are being studied for possible annexation effective December 31, 2005. The Forecast includes mandates that are tied to current service plans, but these mandates are subject to change pending the outcome of ongoing negotiations with appointed neighborhood representatives.

**Community Link Center** The FY 2006 Proposed Budget includes a new initiative to pilot the co-location of a modified Community Link program in conjunction with the planned Multi-Use Health and Community Initiatives branch office facility at 4020 Naco Perrin in District 10. This facility is funded for purchase using HUD 108 Loan Program funds as planned in the Six Year Capital Improvement Plan. The proposed pilot for co-location of these services will be the first of its kind. The proposed program improvement will be designed to reengineer how the City can deliver community link type services more effectively through the use of technology such as computer stations and/or kiosks, cross training of staff and further opportunities for co-location. The proposed \$223,973 includes funds to support the study and reengineering of this service, finish out for space, and start-up costs for the pilot program.

**ULI Project Implementation** This redirection would change the classification of a vacant Planner II to a new Sr. Planner position at an additional cost of \$5,729. The new Senior Planner would facilitate the development and strategic planning of the Community Action Committees recommended for both ULI study areas. The position would also organize the work of member agency and community organizations and increase the marketing efforts to heighten overall visibility. The Sr. Planner would also facilitate rezoning which would address part of the second year implementation for two Urban Land Institute Projects for City Council Districts 2 and 5. This was a recommended revitalization strategy for St. Paul

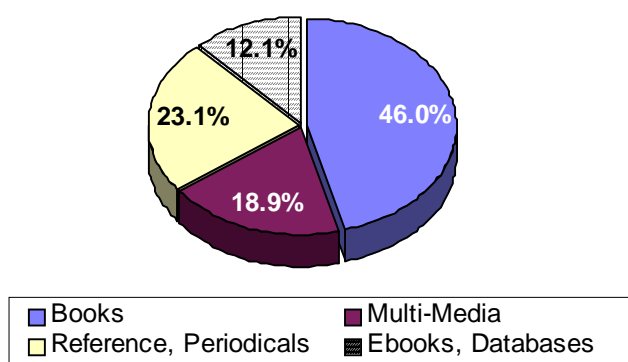
## Budget Summary

Gateway and Avenida Guadalupe that included the designation of staff to support and formulate a strategic action plan.

## Health & Human Services

**Library Materials Budget** Annually, the San Antonio Library acquires additional library materials for the collections within the Central Library and each of the branch libraries. Library materials include books, periodicals, databases, and multi-media including DVD's, audio books, and music. The chart below shows the percentage of the types of material acquired as part of the FY 2005 Library Material Budget.

**Library Material Distribution Based on FY 2005 Budget**



The Proposed Budget includes an improvement of \$500,000 in one-time funds for the library materials budget. The increased level of funding will be added to a recurring base-budget of \$2,124,423. The FY 2006 added one-time and recurring funds would be used for the purchase of books, databases, media, audio books, and music. These additional collections would enable San Antonio residents access to information in many formats and from many different sources.

**Library Materials Funding Level History**

| Year | Library Materials Budget | % Change |
|------|--------------------------|----------|
| 1995 | \$ 1,350,000             |          |
| 1996 | \$ 1,519,740             | 13%      |
| 1997 | \$ 1,469,740             | -3%      |
| 1998 | \$ 1,552,739             | 6%       |
| 1999 | \$ 1,767,739             | 14%      |
| 2000 | \$ 2,074,739             | 17%      |
| 2001 | \$ 2,149,739             | 4%       |
| 2002 | \$ 2,199,739             | 2%       |
| 2003 | \$ 2,199,739             | 0%       |
| 2004 | \$ 2,073,492             | -6%      |
| 2005 | \$ 2,274,423             | 10%      |
| 2006 | \$ 2,624,423             | 15%      |

Over a ten year period (from FY 1995 through 2005), San Antonio library material funding has increased on average 8.12% each year. When examining library material funding over the past five years (FY 2000-2005), funding has increased on average 1.98%. With the proposed increase in funding in FY 2006, there would be a 15% increase in the library material budget in FY 2006 over the current year funding.

**Library Facilities Improvements** The City of San Antonio acknowledges the importance of improving current library facilities and expanding for future service delivery needs. In the 1999 Bond Election, a bond package was passed which allocated \$13.2 million for library improvements that included the construction of four new branch libraries and the expansion and renovation of three other branch libraries. In the 2003 Bond Election, voters approved \$3.9 million for library improvements. These funds are currently being used to upgrade and improve twelve of San Antonio's branch libraries. Today, the San Antonio Library System has one central library, twenty branch libraries (including the Reagan High School partnership Library), and four branch libraries in the planning stages or under construction. By FY 2007, the City will be operating 24 branch libraries. Two of the new libraries included in the 1999 Bond Program will need added operating funds in FY 2006.

In Fiscal Year 2006, one of the new libraries included in the 1999 Bond Program and one of the library branch expansions included in the 2003 Bond Program will need the final phase of the mandate-approved operating funds. In addition, funds totaling \$127,428 will be necessary to support library operations for two of the four new branch libraries included in the 1999 Bond Program. The new Julia Yates Semmes Branch Library in Comanche Lookout Park in City Council District 10 will be open for service in November 2005. Eighteen personnel positions were added in FY 2004 and FY 2005, and this mandate would cover the last phase of operational support costs. This mandate would support the new branch library's operating and maintenance costs such as the cost of fees to professional contractors, supplies, general maintenance, and computer services. This mandate would result in a total cost of \$94,879 for FY 2006.

The Great Northwest Branch Library, located in City Council District 6, is scheduled for completion in September 2005. The expansion will accommodate additional materials and study areas. The Branch is currently 12,000 square feet and will be expanded to 18,000 square feet. Included in the FY 2006 Proposed Budget is \$32,549 to support many of the expanded branch library's expenses such as utilities, supplies, non-personnel services and maintenance, and computer services. Funding for this expansion project was included in the 2003 Bond Program.

**Library Inventory/Theft Management & Self Check Out** This proposed improvement, totaling \$1,032,389 in FY 2006, would minimize the theft of library materials by funding the installment and implementation of a new theft detection system. The theft detection system would be phased into the Central Library and Branch Libraries over a three year period from FY 2006 through FY 2009 for a combined total cost of \$2.6 million dollars. The proposed theft detection system would use Radio Frequency Identification (RFID) technology similar to the technology used in retail centers. The RFID-based systems would combine security with more efficient tracking of materials throughout the library, including easier and faster check in and checkout, inventorying, and materials handling.

**Library District Consulting Improvement** During the 2005 legislative session, the Texas House and Senate passed legislation making possible the creation of a library district for Bexar County. The Governor signed the legislation into law on Friday, June 17, 2005. With this law, the City of San Antonio may transfer all or a part of its public library assets to a new Library District. The new district would be responsible for operating and maintaining the public library system and would be a political subdivision of the state. The district would be funded from contributions from the City of San Antonio, ad valorem taxes, sales taxes, fees, gifts, or some combination of those sources. In order to fully analyze the possibilities of creating a library district, the FY 2006 Proposed Budget includes a one-time improvement of \$75,000 for consultant services. The added services would provide expert advice and assist the City in the overall analysis of the impacts and benefits of creating a library district.

**Medical Center Area Senior Multi-Service Health and Resource Center** The FY 2006 Proposed Budget includes \$57,920 to add one Special Projects Coordinator to facilitate the project management

## Budget Summary

process for a new Senior Multi-Service Health and Resource Center. The 2003 G.O. Bond Program provided funding for the acquisition, construction, and outfitting of a new community multi-service health and resource center for the seniors in our community. In addition to the \$2.5 million in City bond funds, \$750,000 in County bond funds have been committed for construction purposes. The City has purchased the former Children's Shelter in District 8 in the South Texas Medical Center. Additional HUD 108 Loan Program and CDBG funds totaling \$3.38 million have been added, allowing for the complete renovation of the 24,000 square foot facility. The facility is expected to open in early FY 2007. The Senior Center will connect seniors to a broad array of resources through a network of local and state agencies. Health screenings, wellness and education programs will serve as the core services afforded seniors along with the benefits of a senior nutrition program. Other key programming will include access to a computer lab, financial and tax counseling, housing and utility assistance, and safety referral services. The Special Projects Coordinator will serve as the liaison for intergovernmental issues and coordinate all processes necessary to bring the center and its services on line. Upon completion of the facility, this staff person will transition into an operational role, supervising the daily service operations.

**Hunger & Homelessness Initiatives** The FY 2006 Proposed Budget provides funding to renew the existing day center contracts. The FY 2006 Proposed Budget reinforces the City's commitment to address hunger and homelessness by recommending a one-time investment of \$333,000 to continue Day Center services for chronic homeless individuals and families. This proposed investment supports the strategy of expanding outreach to build and strengthen relationships with the chronically homeless, as outlined in the City's 10-Year Plan to End Chronic Homelessness.

The FY 2005 Adopted Budget included one-time funding of \$250,000 to purchase Day Center services. Through this initiative, two existing day centers that serve the chronic homeless in the central downtown area expanded services by providing additional outreach and extended hours of operations including weekends. A third day center was established to provide enhanced services to the chronic homeless on the western fringe of downtown.

The FY 2006 Proposed Budget provides funding to renew the existing day center contracts in the fiscal year. These day center services afford chronic homeless people a safe and engaging place to begin their life transformation. Services include covered areas away from the elements with bathrooms, showers, and laundry facilities. The day centers also offer access to supportive services such substance abuse counseling, employment referrals, case management, and identity recovery, either on site or through linkages with other community based organizations and agencies.

**Teen Pregnancy Prevention Program** In a continued effort to have targeted investments toward teen pregnancy prevention programs, the FY 2006 Budget includes \$200,000 for a program that will address the growing spread of Sexually Transmitted Diseases (STD) in this very vulnerable population. The San Antonio Metropolitan Health District (SAMHD), through expansion of the Sexually Transmitted Disease Program and the Project Worth Sexuality Curriculum Programs, would provide educational venues to middle and high school students and their parents in San Antonio during the 2005-2006 academic year. School districts would be prioritized through demonstration of highest STD rates per student population. The SAMHD would coordinate through the school districts' School Health Advisory Committee to develop age-appropriate curriculums. There would be a scheduling of venues to access students and parents. Funding would provide the necessary development of printed materials and promotion/ advertising of teen pregnancy prevention along with the health and medical consequences of sexually transmitted diseases. The partnerships would be with community based organizations and would leverage financial support for expenses to host parent STD health education forums, laboratory STD testing for school-based clinics and SAMHD clinics, and SAMHD support of a dedicated Health Program Specialists to focus on adolescent STD outreach/ education/ investigations.

**HIPPA Compliance** In order to bring the City of San Antonio into compliance with the Security Rule portion of the 1996 Health Insurance Portability & Accountability Act, \$630,000 in one-time funds is included in the FY 2006 Proposed Budget to develop the necessary systems to safeguard the City against significant financial penalties. Specifically, four departments are legally required to conform to HIPAA Regulations including the San Antonio Metropolitan Health District, San Antonio Fire

Department/EMS, Human Resources Department, and the Information Technology Services Department. While other costs may occur in future years, funds in the FY 2006 Proposed Budget would only address costs associated with the first year's initiatives. The funding would provide consultation services for risk analysis, gap analysis, vulnerability assessment, and remediation planning. The funding would also enable the City to purchase necessary capital and data security systems and provide HIPAA training for current city employees.

**Salinas Dental Clinic** The FY 2006 Budget includes \$150,000 to continue the partnership with the University of Texas Health Science Center Dental School's Ricardo Salinas Clinic. Dental residents and students, with faculty supervision, provide dental services to approximately 2,500 children per year at the clinic. This translates to over 4,300 patient visits and almost 20,000 dental procedures performed annually. The program extends the capacity of the City's San Antonio Metropolitan Health District (SAMHD) Dental Division which also operates at the Salinas facility and at four other locations. In return the Dental School receives an ideal site for their residents and students to learn community pediatric dentistry. Most patients receive care at no cost through their Medicaid or CHIP benefits. Others can obtain these services for a nominal fee based on family income.

**Consolidated Human Development Service Funding** The FY 2006 Proposed Budget continues the City's commitment to strengthen long-term economic viability in San Antonio through strategic and coordinated investments in human development. In FY 2005 the City implemented a two-year Consolidated Funding process for human development services. The FY 2006 proposed budget invests \$10,141,127 from the General Fund, Community Development Block Grant (CDBG) for public services, Housing Opportunities for Persons with AIDS (HOPWA), Emergency Shelter Grant (ESG), and Community Services Block Grant (CSBG).

The FY 2006 proposed budget will provide partial funding for 51 delegate agencies and 84 projects. This funding will purchase family strengthening, youth development, workforce development, safety net, and elderly and disabled services. Consolidated Funding serves as a partnership between the City and local agencies. The partnership assumes a co-investment in the financing and coordination of services by both parties. For FY 2006, the City's Consolidated Funding Pool sources may not exceed 50% of an agency's total operating budget. Delegate agencies will have until December 31, 2005, to demonstrate that 50% of their annual budget stems from non-City sources.

**City Council Human Development Services Fund** The FY 2006 Proposed Budget allocates a total \$459,998 to continue the City Council Human Development Services Fund (HDSF) Program. The Mayor and each City Council member would be able to allocate \$41,818 in investment for community based human development projects. HDSF may be used to fund one-time expenditures in support of Family Strengthening, Youth Development, Workforce Development, and Community Safety Net initiatives.

Since FY 2002, the Mayor and Council have invested HDSF in numerous human development projects to improve the quality of life in our neighborhoods. Family Strengthening projects have included child care, parenting classes, and back to school fairs. City Council has also made significant HDSF investments in Youth Development activities including college scholarships, mentoring, leadership academies, sports camps, and summer recreation and academic programs. To support the community's safety net, HDSF has been allocated to support elderly nutrition and fitness, homeless and hunger services, emergency assistance, and community health events.

## Budget Summary

### Environmental Services

The FY 2006 Proposed Budget includes several policy issues regarding the City's Environmental Services Fund. The Environmental Services Fund encompasses the operations and maintenance of the City's Solid Waste, Recycling, Brush Collection and Environmental Management programs. The FY 2006 Proposed Budget for the Fund is \$59.6 million. The Budget Summary details the following Environmental Services policy issues:

1. Rate Adjustments
2. Reductions
3. Other Revenue Adjustments
4. Growth Routes Expansion
5. Automated Garbage Collection for FY 2006

**Proposed FY 2006 Rate Adjustments:** The Proposed FY 2006 Budget for the Environmental Services Fund is approximately \$60 million. The FY 2006-2010 Financial Forecast projected that without any changes to the Fund's rate structure or significant adjustments to expenditures, the Environmental Services Fund could expect significant annual shortfalls during the forecast period. Building on the base of the FY 2005 Adopted Budget, the development of the FY 2006 Proposed Budget was negatively impacted by several major factors as outlined below. The overall result is a need for a monthly rate increase per household of \$1.68.

#### FY 2006 Service Cost / Recover Rate Impact Analysis Summary

| Proposed FY 2006 Budget - Cost or (Recovery) Factors | FY 2006<br>Incremental<br>Increase<br>(\$ in 000's) | Impact To<br>Current Rate |
|--|---|---------------------------|
| Current Service *                                    | \$5,961   | \$1.53                    |
| Mandates   | 1,065   | 0.28                      |
| Northside Annexation – Net Costs & Revenues          | 183   | 0.05                      |
| Operating Reserve Fund                               | 500   | 0.13                      |
| Reductions   | (59)  | (0.02)                    |
| Revenue Adjustments                                  | (1,141)   | (0.29)                    |
| <b>Proposed Garbage &amp; Brush Fee Adjustment</b>   | <b>\$6,509</b>                                      | <b>\$1.68</b>             |

\* Includes fuel, truck replacement, compensation, benefits, and other service costs.

#### FY 2006 Proposed New Monthly Fees

| Monthly Fees      | Current<br>Fees | Proposed Fee<br>Increase | Total New Fees  |
|-------------------|-----------------|--------------------------|-----------------|
| Garbage Fee       | \$ 9.71         | \$ 0.42                  | \$ 10.13        |
| Brush Fee         | \$ 1.20         | \$ 1.26 *                | \$ 2.46         |
| Environmental Fee | \$ 1.30         | \$ 0.00                  | \$ 1.30         |
| <b>Total</b>      | <b>\$ 12.21</b> | <b>\$ 1.68</b>           | <b>\$ 13.89</b> |

\* FY 2005 Brush Collection Program has a 56% cost/recovery rate.

In order to maintain an adequate operating reserve fund balance, the proposed FY 2006 fee increase of \$1.68 includes \$0.13 to increase the reserve fund balance to \$500,000. A similar increase will also be required in FY 2007 to bring the reserve fund balance to a minimum \$1 million reserve. Once this minimum reserve balance of \$1 million is achieved in FY 2007, future rate adjustments would not be required.

Based on the FY 2006-2010 Financial Forecast, future years will most likely also require a rate adjustment. The forecast projects certain expenditures to increase over the next several years. In order to maintain a balanced fund, projected increases in Environmental Services fees may be required as shown on the following table. These rate increases are based on current estimates used in the Financial Forecast and are subject to changes and revisions.

**Estimated Total Rate Increases Based on the FY 2006 Financial Forecast**

| FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 |
|---------|---------|---------|---------|---------|
| \$ 1.68 | \$ 0.27 | \$ 0.39 | \$ 0.39 | \$ 0.46 |

**Proposed FY 2006 Reductions:** A reduction of six collector positions will offer a total annual net savings of approximately \$52,017 in FY 2006. This reduction is a result of the successful implementation of three routes within the Automated Garbage Collection Pilot.

**Proposed FY 2006 Other Revenue Adjustments:** In order to adequately recover the costs of other services provided and to streamline methods of collection, the following revenue adjustments are included within the FY 2006 Proposed Budget. Listed below are the revenue sources and the projected added revenues. For more detail on the revenue adjustments, refer to the Revenues section of the FY 2006 Proposed Budget.

| Revenue Source  | FY 2006<br>Added<br>Revenues |
|---|------------------------------|
| ▪ Commercial Bags: Increase Charge Per Bag                        | \$25,000                     |
| ▪ Bitters Brush Recycling Center: Minimum Residential Charge      | 130,000                      |
| ▪ Bitters Brush Recycling Center: Increase Commercial Charge      | 9,500                        |
| ▪ Out of Cycle Collection: Increase Minimum Charge                | 138,000                      |
| ▪ Waste Hauler Permits: Change Permit to Landfill Disposal Charge | 759,000                      |
| <b>Total</b>  | <b>\$1,061,500</b>           |

**Proposed FY 2006 Growth Routes Expansion:** Projected for FY 2006 is a 1.5% increase or 5,000 additional residential customers based on the Planning Department's projections of Single Family Lots to be approved by the Planning Commission. As an operational practice, solid waste tonnage generated from additional home growth is absorbed by existing garbage collection routes. However, once the average Work Load Standard (WLS) threshold of 63 tons per route per week is exceeded, it is necessary to add a new route. A review of the first nine months of FY 2005 indicates the current WLS is slightly over the WLS threshold. Due to the impact of the projected new homes in FY 2006, two new routes would need to be added to bring the WLS within established limits. These new growth routes will be collected using automated equipment as it is more cost effective than a manual service. For future reference the WLS for automated routes will be based on the number of homes serviced per route instead of tonnages collected. Based on the current system of twice a week garbage collection, the average number of homes per automated route (1,250 homes) will be the same as a manual route. A total of \$501,896 is included in capital funding for two new automated garbage trucks and fuel and maintenance costs for FY 2006.

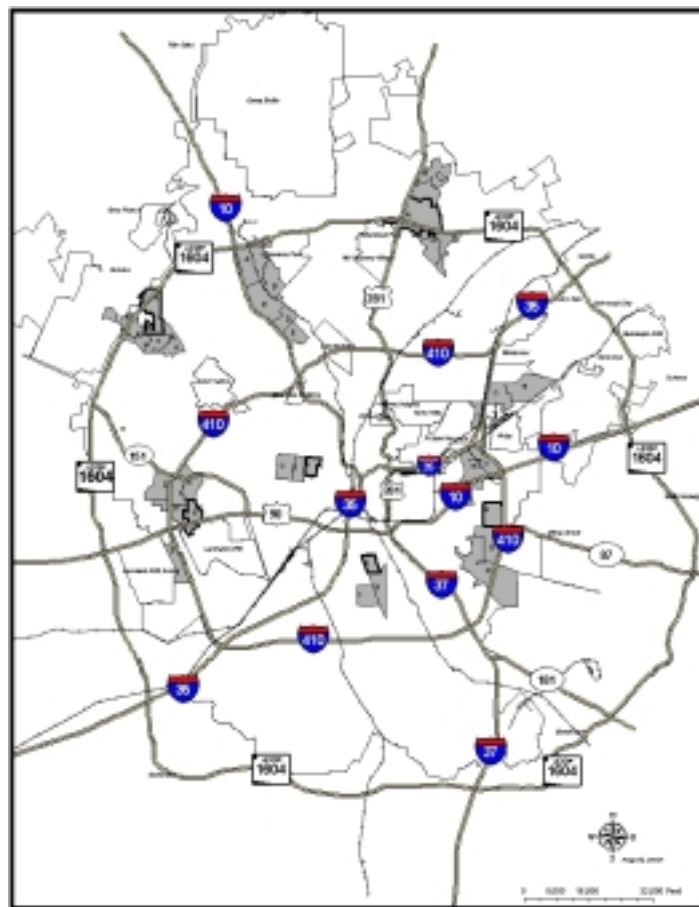
## Budget Summary

**Proposed FY 2006 – Automated Garbage Collection:** For cost containment in providing solid waste collection services to the City's residents, Environmental Services conducted a six month automated garbage collection pilot program beginning in June 2004. The pilot program area consisted of 6,800 homes in six areas of the City and included all 10 Council Districts. The pilot program proved highly successful with 98.7% of the participants rating the program as excellent or good compared to the existing manual system. Although the automated trucks cost more than manual trucks and the cost of the containers need to be considered, a review of route costs indicates that the savings in personnel more than offsets the increase in equipment and the container costs. Annual cost comparisons for manual collection are \$173,000 per route versus automated collection at \$147,000 per route resulting in savings of approximately \$26,000 per route per year.

Due to the popularity of the program, City Council requested an analysis of an accelerated five year citywide implementation plan over the initially proposed seven year implementation plan. Financially, the longer period proved more feasible due to the high upfront costs of capital for the new collection vehicles and containers in the shorter plan. Additionally, the seven year plan matched the current personnel attrition rates with the proposed position reductions for routes converted to automated collection, minimizing any potential negative personnel impacts.

As the map below indicates, the three existing automated routes serve as a base from which to expand. Operationally, expansion from the pilot areas will minimize the implementation costs and will also aid in support should adjacent automated routes need assistance in collections. Beginning in FY 2007, the implementation plan calls for implementing fourteen automated routes per year, for a seven year citywide completion.

**Automated Garbage Collection Areas for FY 2006**





In order to implement 12 automated routes for FY 2006, the FY 2006 Proposed Budget includes funding to acquire 14 automated garbage trucks. The 14 trucks will provide 2 extra trucks to be used as spares during maintenance. Eight of the new fourteen trucks will be purchased using the available funds from the City Vehicle Replacement Fund. Proposed funding for the remaining six automated trucks will come from a five-year municipal lease. FY 2006 Proposed Budget includes first year payments for the lease of \$134,733. The current truck replacement schedule allows for the new automated trucks to be bid in August 2005. With City Council approval, the bid award is anticipated in September or October 2005 with delivery in May 2006. The program expansion would begin route implementation in June 2006, contingent on equipment delivery. Environmental Services projects adding four routes per month over a three-month period, from June through August 2006, for a total of 12 new automated routes. This addition of 12 new routes along with the three original pilot routes would bring the total number of converted routes to 15 citywide. In addition, to these 15 converted routes, included in the overall total shown below are the two new growth routes.

Another component of the automated collection program is the use of 96-gallon containers. The FY 2006 Proposed Budget includes funding to acquire approximately 37,000 containers. These wheeled containers will be provided to each household of an automated route. The estimated cost for each container is approximately \$40.00 equating to a total funding need of approximately \$1.5 million. Proposed funding for the purchase of these containers will be financed through a municipal lease purchase with a five year term. The FY 2006 Proposed Budget includes \$166,876 for the first year payment.

### **Economic Development**

**Cultural Collaborative** The FY 2006 Proposed Budget's Community & Visitor Facilities Fund includes \$500,000 for the Cultural Collaborative. A recent economic impact study revealed that San Antonio's creative industry is a \$1.2 billion economic engine employing nearly 10,000 people. This places the creative industry alongside other important sectors of the city's economic roster. The primary aim of The Cultural Collaborative: A Plan for San Antonio's Creative Economy (TCC) encompasses the entire spectrum of San Antonio's creative economy—nonprofit arts and cultural organizations, creative businesses, and creative individuals. TCC's 38 strategies, to be implemented over the next ten years, support the growth and recognition of the creative economy by 1) providing greater access to arts and culture to residents, 2) promoting the economic growth of the creative sector, 3) increasing awareness of the role and value of art and culture, 4) strengthening our unique and diverse culture, heritage, and architecture, and 5) developing increased resources of all types. The strategies are prioritized but not fixed and some are recurring, such as arts funding and program support. The \$500,000 would provide continued implementation costs of the Cultural Collaborative. Funding would be used for development/implementation of some of the Cultural Collaborative's thirty-eight strategies to be completed over the next ten years. Since funding requirements are subject to funding availability, strategies that have one time costs would be prioritized for FY 2006.

**Brooks City-Base** In May 2005, the Air Force missions located at Brooks City-Base were identified for closure by the Secretary of Defense. The Base Realignment and Closure (BRAC) process will conclude during FY 2006. If the BRAC recommendations support the transfer of the Air Force Missions away from Brook City-Base, the anticipated departure will occur over a five-year period. The Brooks Development Authority (BDA) will continue to oversee the development and property management roles at Brooks. To assist the BDA in these efforts, the FY 2006 Proposed Budget includes \$845,000 for on-going operations costs. Additionally, the FY 2006 Proposed Budget will include one-time improvements of \$175,000 for telecommunications and infrastructure consulting services. The improvement of BDA's Telecommunications Master Plan will support the needs of existing and future tenants at Brooks as well address the future needs of the City/County Emergency Operations Center (EOC). Finally, the Proposed Six Year Capital Improvement Plan includes \$2.210 million for construction of roadway and drainage improvements on South New Braunfels.

## Budget Summary

**Empowerment Zones** The mission of the Empowerment Zone (EZ) Outreach and Technical Assistance program in San Antonio is to promote economic development in distressed communities by using tax incentives as catalysts for private investment. The goal is to increase business development within the Zone and facilitates job opportunities for EZ residents while improving access to goods and services promoting long-term community revitalization. In the FY 2006 Proposed Budget, \$58,629 is set aside to fund a new Senior Economic Development Specialist position. Currently, one position is dedicated to the EZ within the City's Economic Development Department. This additional position would provide a link between the City's small business programs and the wage credit and tax incentives offered to businesses in the Empowerment Zone. Additionally, the added position would provide additional support to the EZ Governance board and would work with local neighborhoods associations and organizations to maximize the potentials from the Empowerment Zone Program. This City improvement would be part of the 2002 Round III Urban Empowerment Zone designation through HUD. The Empowerment Zone designation remains in effect until 2009 and would allow businesses to receive wage credits, tax incentives, and bond financing to stimulate job growth, promote economic development, and create affordable housing opportunities in targeted areas of the city.

**CIED Fund Positions** In January 2005, the City Public Service (CPS) Energy Board of Trustees approved a policy that expanded the use of the former CPS Overhead Conversion Fund and created a new program called the Community Infrastructure and Economic Development (CIED) Fund. In addition to funding electric system improvements, the CIED Fund can also address City-proposed capital projects that support economic development and environmental stewardship. The City anticipates using the CIED Fund to assist with projects that support the City's Strategic Plan for Economic Development. Currently CPS annually allocates an amount equal to one percent of retail electric sales from the previous year to the CIED Fund. Three percent of this allocation is available for eligible administrative support costs. As of December 2004, there is approximately \$44 million in the CPS CIED Fund with \$1.6 million available to the City to administer the new program. The FY 2006 Proposed Budget recommends adding two full time positions within the City's Economic Development Department to develop and administer CIED Fund projects. The cost for the positions in FY 2006—\$134,905—would be reimbursed by the CIED Fund. The scope of work to be performed includes project proposal development, coordination of project application for City Council and CPS Energy Board consideration, and project management and administration.

**Texas A & M Campus Land Acquisition** The FY 2006 Capital Budget includes \$15 million in Certificate of Obligation funding for land acquisition for the proposed Texas A & M University—San Antonio campus. The Texas A&M University System has identified San Antonio as a preferred location for a four-year academic campus. Senate Bill 800 of the 78th Legislative Session (2003) formally established Texas A&M University—San Antonio with the provision that no department, school, or degree program may be instituted without the prior approval of the Texas Higher Education Coordinating Board. In 2004, the Texas A&M University System submitted a request to the Coordinating Board for authorization to issue tuition revenue bonds totaling \$80 million for the construction of buildings for Texas A&M University—San Antonio. The 79th State Legislature convened in 2005 but failed to consider legislation approving the issuance of tuition revenue bonds for the San Antonio campus, as well as many other projects, statewide. A special session of the Legislature may permit issuance of tuition revenue bonds for the campus. If approved, the campus would open in Fall 2009.

The site previously identified as the campus location is located in the City South area, near the intersection of south IH-410 and U.S. 281. Based upon preliminary analysis, City staff estimates that the satisfactory acquisition, clearance, and removal of property impairments at the preferred campus site would total \$15 million. Additional public expense will be required to extend and connect utilities to internal university physical plant systems and expand highway transportation infrastructure for this site.

**Defense Transformation Institute & BRAC** Funding has been appropriated in previous fiscal years to protect local military installations from the next round of base closures. In FY 2006 the City continues its commitment to support community efforts to partner with local military installations and other community stakeholders responding to the Base Realignment and Closure (BRAC) results to be finalized by the end

of 2005. One-time General Fund dollars totaling \$100,000 are set aside in FY 2006 Proposed Budget to acquire professional services from the Defense Transformation Institute (DTI) that will assist in addressing the affects of BRAC. In March 2005, the City and DTI signed a memorandum of understanding (MOU) with the intention of DTI helping the City coordinate, facilitate and accelerate the implementation of the BRAC 2005 final results. This funding, in accordance with the MOU, would be utilized primarily to enhance collaborations between the military and the community by promoting economic development on and around military installations.

**SATAI** The FY 2006 Proposed Budget includes \$500,000 for the San Antonio Technology Accelerator Initiative (SATAI). The mission of SATAI is to identify, aggregate, and coordinate resources, initiatives, and networks necessary to foster the growth of San Antonio's technology-based growth industries. SATAI has grown into an organization vital to the economic development of our technology industries. SATAI has received in-kind funding from other sources, such as UTSA, and it is engaged in the second year of a three-year plan to increase the amount of funding from other sources and become a self-supporting organization.

**Disparity & Availability Study** The City of San Antonio administers the Small Business Economic Development Program which provides contracting opportunities and assistance to Small, Minority, Woman-Owned and African American business enterprises. In an effort to comply with legal requirements associated with this program, City Council approved the recommendation of the Small Business Advocacy Committee to commission a Disparity and Availability Study. This study would analyze minority and woman-owned business utilization levels in the City's contracting initiatives. The study also would identify the actual number of minority and woman-owned businesses in the local market place and therefore would be the basis for analyzing utilization and establishing accurate contracting goals. The Study will have a total cost of \$500,000 of which \$300,000 will be for the Availability portion of the study while the remaining \$200,000 would be used for the Disparity study. The FY 2006 Budget sets aside \$250,000 in city funds for this program. Correspondingly, other political subdivisions have proposed financial commitments in support of this study to include Bexar County, Brooks City-Base, KellyUSA and the University Health System. The San Antonio Housing Authority, Edwards Aquifer Authority, San Antonio River Authority, San Antonio Waters Systems, CPS Energy and the VIA Metropolitan Transit are also considering contributing towards the cost of the study.

**Enhanced Advertising** The FY 2006 Proposed Budget includes a one-time improvement totaling \$500,000 in Community & Visitor Facilities Funds to increase the advertising budget managed by the City's Convention and Visitors Bureau. This increase would augment the base advertising and marketing campaign budget to \$6,600,000. The additional increase is for the growing costs of marketing San Antonio for the branding strategic plan, to address some of the immediate group market challenges in FY 2007, and to include marketing for the added 1,000 hotel rooms anticipated in February 2008.

### Operational Excellence

**Organizational Efficiencies thru Select Reorganizations** The FY 2006 Proposed Budget includes several organizational and realignment efficiencies intended to improve quality assurance, external communication, departmental efficiencies, and business process redesign. In accordance with the City Charter requirements, the proposed budget only outlines these organizational changes. It is anticipated that the implementation for these changes will occur in fall 2005. While there will undoubtedly be efficiencies gained by these changes, no savings have been assumed in the proposed budget.

**Planning & Community Development Department** The realigned/reorganized Planning and Community Development Department would promote change in the implementation of critical strategies and programs designed to drive economic development, neighborhood livability and housing diversity in San Antonio. The new mission is to bring together community resources with planning as the initiating effort for neighborhood development, and aligning this effort with the tools for revitalization implementation. The divisions of neighborhood planning, comprehensive planning and historic preservation and Geographic Information System (GIS) from the current Planning Department would be aligned with the homeownership support, neighborhood housing revitalization, Tax Increment Financing

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(TIF) unit, neighborhood improvements districts, neighborhood commercial revitalization and the Affordable Showcase Program from Neighborhood Action Department (NAD); the finance and administration unit, entitlement program administration from Housing & Community Development (HCD), and the economic development incentives that are focused on community development which include empowerment zone staff and incentive scorecard administration from Economic Development Department (EDD). Utilizing existing staff and resources in the realigned department, a newly created unit would initiate projects on behalf of the City focusing on strategic target areas for economic development, assess and recommend community economic development opportunities presented to the City by developers, and establish and maintain collaborative partnerships for economic development projects. This department would continue to be a liaison to San Antonio Development Agency (SADA), San Antonio Housing Authority (SAHA) and the San Antonio Housing Trust. While the City celebrates the increased corporate presence and investments of the Toyota Plant Manufacturing Plant, Washington Mutual, as well as many others, this is an opportunity to focus on business creation, retention and expansion for local and neighborhood commercial businesses in an effort to achieve our vision for a vital local economy with healthy neighborhoods and quality jobs for our citizens.

**Neighborhood Services & Enforcement** This current fiscal year the Code Compliance Department changed to take the lead in violation abatement rather than reacting to citizens' complaints. This proactive initiative was directed to respond to code violation growth and frequency rather than complaints registered to the City. The department focused on implementing two major goals: the Community Lead Enforcement Activity in Neighborhoods (CLEAN) Team and increasing public awareness. The CLEAN Team was established and dispersed city-wide to proactively seek chronic, visible code violations in pursuit of voluntary compliance. As a result, vacant lot cases and junked vehicle proactive efforts totaled 5,027 cases from the CLEAN Team and NAD Sweeps toward neighborhood enforcement. A three-phase public education campaign was initiated to positively educate, engage and encourage citizens to voluntarily do their part in cleaning up their own living environment as well as helping their neighbors to do the same thus improving the conditions of the community. The campaign included components targeted at adults and children. As a result of the campaign, the Code Compliance has reached over 450,174 citizens through the billboard and radio advertisements. In addition, Code staff conducted numerous neighborhood presentations and distributed informational materials at various city-wide events.

The field personnel from Animal Care Services will be added to complete the concentrated effort of neighborhood services while coordinating efforts to increase efficiency and effectiveness of delivery of code enforcement services for neighborhoods. Animal Care Services coupled with the current divisions of general code, abatement, dangerous premises, historic enforcement, and citizen action officers from Code Department and the neighborhood sweeps division from NAD would comprise the newly reorganized department called Neighborhood Services and Enforcement. The community would realize the change in proactive violation abatement as well as a highly visible presence of service delivery with this reorganization. The Animal Care unit would promote the humane treatment of animals while enforcing and ensuring public health in our neighborhoods. This fiscal year the public awareness campaign will focus on educating the public on humane treatment, responsible pet ownership and pet overpopulation. This department would require close coordination and will serve as an additional resource for the Council Action Team (CAT) Team.

**Animal Care Services Shelter** This facility's singular focus will be to properly care for those animals that come into the facility and to find homes for those animals that are adoptable. The Animal Care Services Shelter will become the shelter that provides services to the many lost pets, surrendered and stray animals found in our community each year. The housing of these animals has long been a core service provided to the community and will continue to be. This approach of concentrating the kenneling efforts and care of the animals furthers the City's ability to make a difference in decreasing the animal population. The shelter's mission will include the daily care of the animals, the continued expansion of the adoption program, implementation of a public education campaign, and enhancement of spay and neuter efforts. Pets that are determined to be not adoptable will be euthanized according to state policies.

Enhanced working partnerships with Humane Shelters, the Animal Defense League and rescue groups will continue in order to increase the number of animals that are placed, adopted and returned and decrease the number of animals that are euthanized. The Shelter will have the following personnel: Kennel staff, Veterinary staff, Volunteer Program, and Education component. The Shelter will continue to work closely with the Animal Resource Center to expand the number of spay/neuter efforts that are done for Animal Care that lead to increased adoption for the facility.

**Change Unit** The newly designed Change Unit would be created utilizing three vacant positions from the Performance Analysis Team. The Unit will be tasked with managing change in the organization by determining better business approaches to service delivery and utilizing a customer approach to improve services. Additionally, the unit would work to integrate the alignment of efforts across departmental service boundaries. The unit's ultimate goal throughout the assigned work efforts will be to improve performance.

The unit will also act as a catalyst for change-making recommendations for business process improvements utilizing best practices garnered from other public and private sector innovations. The unit is anticipated to work closely with the Information Technology Services Department's ERM business process unit to identify candidate processes to re-engineer. The unit will be authorized to draw upon resources in all departments depending on needed specializations. The unit is also anticipated to assist the City Manager's Office and departments with both strategic and tactical planning efforts. The Unit's first assignment will be to implement the reorganizations outlined in the Proposed Budget.

Finally, the unit would be available to assist and support the new City Manager with organizational review and restructure/reengineering efforts. The Proposed Budget includes \$750,000 in one-time resources to provide contractual services to assist the Change Unit.

**Office of External Communication** An important function of the City is to inform and communicate to its citizens the services that are provided and information regarding the activities of the government. In an effort to improve on this function, an Office of External Communication will be created that will provide the following:

- media relations—press conferences, press releases and on-going media relations;
- marketing of city services—coordinate marketing of departments services, websites and coordinate city television productions; and,
- special events—coordinate special events of the City and represent the City with other entities' special events.

**Managing Director/CVB and Convention Facilities** The current vacant CVB Director position presents an opportunity to reorganize the CVB and the Convention Facilities departments into one unit with the goal of maximizing efficiency and productivity in the marketing of the destination and carrying out the event/meeting. The benefits of the proposed merger are that it would maximize economic impact and room nights, protect the financial integrity of the Convention Center, bring more control, oversight, and coordination to the pricing and discounting process, and improve and increase the speed of information to event planners and local stakeholders. The consolidation would follow an organizational structuring that is the current trend among the top destinations in the country.

The mutual benefits of productivity, revenue maximization, improved communications, enhanced financial results, improved employee morale and better teamwork between two currently distinct, interdependent organizations will result in optimizing overall results for the City of San Antonio's tourism industry. A more streamlined organization focused on its shared core mission will produce more sales revenues, room nights, and cost efficiencies. Improved product and process knowledge, enhanced speed of proposal delivery, and experienced sales and marketing leadership will have a positive impact on the bottom line.

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**Quality Assurance** The Contract Compliance Division of the Contract Services Department is currently staffed with eight personnel. The work plan for these employees is determined by expiring high risk contracts, the City Auditor's annual audit plan, and special requests. The division has completed or is in the process of completing 23 contract compliance projects for FY 2005.

The proposed realignment is to transfer three positions from the Department of Housing & Community Development's Quality Assurance division to the eight member Contract Compliance division of the Contract Services Department. These 11 positions would be further divided in order to functionally report to each member of the Management Team. This change achieves the goal of having a rapid response group of individuals who are independent of departments and report to the City Manager's Office. Their workload would be determined by the supervising Management Team member. Work could still be determined by the three factors listed above and be focused on each Management Team members' reporting departments. The Management Team member would have flexibility to determine additional assignments. Personnel would still be members of the Contract Services Department for administrative purposes.

The Contract Compliance Division would act as a centralized point of quality assurance and contract compliance. Their work efforts would continue to focus on compliance but with an added emphasis on quality. This compliance and quality effort would center not only on outsourced services but internal services as well. This group, depending upon the assignment, could assist the Change Unit in reorganization and re-engineering efforts. In addition, the division would continue to conduct contract administration and monitor training for departments. Organizationally, departments will still be responsible for administering and monitoring contract deliverables.

**Transfer of the Parking System to Department of Asset Management Department** The Parking System, an asset valued at \$80 million, currently is part of Public Works. However, the Department of Asset Management is tasked with providing real estate and facility management services as well as acting as a strategic planning consultant for City facilities in order to maximize revenues and provide for the highest and best use of all City assets. Given the strategic importance of the Parking System, the planning, operations and management of the Parking System will be moved to Asset Management during the coming fiscal year.

The Parking System, when viewed in a comprehensive, strategic manner has the untapped potential of further contributing in a number of different ways in support of downtown programs, activities and revitalization efforts. This strategic effort can best be led by Asset Management at this time primarily due to the strong relationship with downtown organizations such as the Downtown Alliance and other stakeholders. In addition, Asset Management successfully led a critical downtown strategic planning effort with the HemisFair Park Master Plan in 2004. It is this level of attention and expertise needed to facilitate the long term development of the Parking System in the coming years.

**City Auditor Improvements** The FY 2006 Proposed City Auditor's Budget includes \$370,936 in enhancements to the City Auditor's current service budget. Funding for these improvements would come, in large part, from estimated savings within the City Auditor's FY 2005 Budget. This funding would be used for the purpose of enhancing employee compensation and training and in order to augment the Department's information technology hardware and software capabilities to include the use of professional services. This funding would also cover the cost of baseline budget increases in FY 2006 such as the increased costs of healthcare, information and technology services, and employee benefits. These improvement costs are outlined below:

|   |           |
|---|-----------|
| ▪ Employee Compensation and Training        | \$301,500 |
| ▪ Technology Enhancements and Audit Systems | \$39,600  |
| ▪ Current Service Budget Adjustment         | \$29,836  |

**City Clerk Improvements** The FY 2006 Proposed Budget includes additional funding for staff and technology enhancements for City Clerk services. Specifically, \$26,356 is included for one additional Administrative Assistant I position to provide support for City Boards, Commissions, and Committees. The additional Administrative Assistant I would assist the current Boards and Commissions Coordinator with all aspects of the Board appointment process. The Proposed Budget includes \$78,130 for upgrades to the Clerk's document management software (ISYS), microfilming and scanning device programs, and lobbyist registration software.

**Customer Convenience Initiative** In an effort to provide more convenience to San Antonio residents, a pilot program to evaluate and expand the City's ability to accept multiple forms of payment for service allowing better customer convenience will be initiated. The FY 2006 Proposed Budget allocates \$250,000 in one-time resources to acquire and develop alternative payment systems such as wireless credit card processors and the expansion of on-line payment systems.

Wireless credit card processors are able to use cellular signals to verify credit card payments, yet they are small enough to be carried into the field. Additionally, they can be plugged into computers if necessary. These devices will be used by code compliance officers, animal control officers, and other employees while in the field. Code compliance officers, for example, can use the processors when collecting garage sale permit fees from citizens, while animal control officers can use the devices when issuing pet licenses in the field. New wireless credit card processors will provide citizens with more flexibility when paying for city services such as those previously mentioned. Additionally, the devices would provide the City with a safer and more effective way of collecting fees. Wireless credit card processors would expand payment options in the field because the City currently accepts only cash and checks as forms of payment. Credit card payments also create a more secure cash-handling method. The new devices will facilitate the collection of fees, thereby increasing the City's overall revenues. Field employees would be able to issue additional permits and licenses that they were previously not feasible.

**Specialty & Executive Recruitment Services** The FY 2006 Proposed Budget includes funding for an additional Sr. Human Resources Analyst position within the Human Resources Department to support the Specialty job function and Executive Recruitment services. This position will assist in all aspects of executive and specialty recruitment, to include, but not limited to: coordinating the advertisement of executive and specialty positions, developing marketing material, coordinating the Request for Proposal (RFP) process, evaluating and summarizing RFP results, and coordinating contract negotiations with City Attorney's Office.

**Municipal Marketing Program** The City has utilized the services of Active Public Enterprise Group, Inc. (APEG) to identify opportunities and strategies to generate additional revenues and services through a comprehensive Municipal Marketing Partnership Program. Examples of partnership opportunities include exclusive beverage vending and pouring rights, corporate sponsorship of City events and potential venues for placement of advertising. The FY 2006 Proposed Budget includes the first phase of this plan which will include the negotiation of a new and expanded City-wide vending machine contract as well as several sponsorships recommended by APEG as part of their inventory of existing City assets. An additional position would be added to the Asset Management department to assist in the multi-year implementation of the program in FY 2006. Consultant and commission expenses are also included in the proposed budget. The first-year implementation would generate an additional \$167,309 in the General Fund and \$78,409 in Other Funds in FY 2006. After accounting for the cost of the position and commission to the contractor, the program would generate \$51,104 in net additional revenue to the General Fund and a total of \$129,513 to the City overall.

**Fuel-Efficient Hybrid Vehicles** The FY 2006 Proposed Budget includes an expanded initiative of purchasing fuel-efficient gasoline/electric (hybrid) sedans in place of traditional gasoline powered sedans. Currently, the City has 26 hybrid sedans which are being used by several departments such as Police and Fire (for non-emergency purposes), Development Services, Municipal Courts and Purchasing. In FY 2006, the City would enhance its program of purchasing hybrid automobiles by acquiring an additional 39 hybrid sedans. These hybrids would be purchased in-lieu of traditional vehicles (full-size) that are scheduled for replacement in FY 2006. Based on a comprehensive cost-comparison analysis, while the

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hybrid vehicles are generally more expensive to acquire than the traditional gasoline powered sedans, over the useful life of the vehicle, hybrid vehicles would be more economical. The per vehicle initial cost difference of approximately \$8,000 is more than recovered through fuel savings and lower maintenance costs as has been experienced with the current hybrid fleet. The anticipated annual savings in fuel alone over a projected seven year period (at today's fuel prices) per hybrid is expected to be near \$3,700. These vehicles are averaging 37 miles per gallon of gasoline compared to 20 miles per gallon of gasoline for the traditional comparison sedan. In addition to financial savings, the hybrids are also better environmentally for their less harmful emissions than the traditional gasoline powered vehicle. The hybrid vehicle is classified as an ultra low emission vehicle.. Finally, the hybrid vehicles come with extended warranties on the electrical/battery components making the purchase of the vehicles feasible.

**Vehicle Replacement Management** The FY 2006 Proposed Budget continues to address efficiencies in providing a reliable and practical city fleet at lower costs through extending the mileage criteria for vehicle replacement. The proposal outlined for FY 2006 would provide \$1.5 million net savings in All Funds by extending the life of 783 vehicles in the current fleet from 84,000 to 96,000 miles. The net savings in the General Fund is estimated to be \$758,370. To cover the additional maintenance costs that can be expected by this proposal, \$208,560 is added in various departmental budgets in FY 2006. The FY 2005 Adopted Budget realized a net savings of \$2.2 million in All Funds by extending the replacement criteria mileage from 72,000 to 84,000 miles for 1,038 vehicles. The chart on the following page details the savings projected to be realized in FY 2006 and provides detail on savings realized in FY 2005 and in FY 2004 when 214 vehicles were initially placed on an extended replacement cycle from 72,000 to 84,000 miles.

**Fleet Replacement Management**  
**FY 2004 - FY 2006**

| <b>Fiscal Year</b> | <b>Replacement Mileage Criteria</b> | <b>Vehicles Impacted</b>  | <b>Savings All Funds</b> |
|--------------------|-------------------------------------|---------------------------|--------------------------|
| <b>2004</b>        | 84,000                              | 214<br>(Pilot Initiative) | \$220,000                |
| <b>2005</b>        | 84,000                              | 1,038                     | \$2.2 million            |
| <b>2006</b>        | 96,000                              | 783                       | \$1.5 million            |

**ITSD/ERM Business Process** The City of San Antonio hired its first Chief Information Officer (CIO) in 2005. The CIO will also function as an Assistant City Manager and serve on the City's Management Team. This appointment demonstrates the City's commitment to the strategic use of technology to improve services. During the coming year, the CIO will analyze and evaluate both the business and service delivery models used by the Information Technology Services Department (ITSD) and will recommend changes that will assure that ITSD's customers receive the technology support that they require in the most effective manner possible. The CIO will also review the technologies currently in use by business units and will look to find ways to partner with those units to support them in their improvement efforts. A major focus for the CIO will be to assume a strong leadership role in the continued development of the City's Enterprise Resource Management system. This critical system will support many of the City's core business functions during the coming years.

**Federal Representation Services** This mandate would provide additional one-time funding for federal lobbying contracts. Until January 2005, the City of San Antonio had only one contracted firm for federal representation services at an amount of \$14,400 per month or \$172,800 annually. In February 2005, City Council directed staff to negotiate with two firms and divide the issues in the federal program between each firm. Annual contracts for the two firms were approved by the City Council on March 24, 2005. The FY 2005 services budget for federal representation services totals \$172,800. This mandate provides an additional \$115,200 in one-time funds for the two federal lobbying contracts (\$12,000 per month, per firm) for FY 2006 for a combined total budget of \$288,000.



**Workforce & Total Compensation** The dedication and commitment exhibited by City employees is evidenced through the delivery of critical services to over a million citizens each day and more than 20 million visitors each year. The Five Year Financial Forecast presented in June 2005 and outlined in the 2005 City Council Goals Prioritization Work session identified several of the City's total workforce compensation issues. Maintaining a competitive and attractive compensation package has been a priority in finalizing the FY 2006 Proposed Budget. However, as indicated in the Worksession, addressing challenges resulting from rising health care costs will continue to be an important issue for the City. In order to maintain the compensation, health and medical benefits currently in place and proposed in this budget, a determined partnership must exist between the City and its employees to manage health care costs. The partnership philosophy is evidenced in many of the proposed recommendations in this section and in this budget.

**Police & Fire/EMS Collective Bargaining** The collective bargaining contract between the City of San Antonio and the Professional Firefighters Association will expire on September 30, 2005. It is anticipated that negotiations between the City and the Professional Firefighters Association will begin on a new agreement during the late summer 2005. The FY 2006 Proposed Budget includes a reserve of funds for the first year of the new collective bargaining agreement.

The collective bargaining contract between the City of San Antonio and the San Antonio Police Officers Association will expire on September 30, 2006. In FY 2005, the City budgeted \$6.5 million due to contractual cost increases. An additional \$9.6 million is the projected cost for contract increases in FY 2006 to fund a 4% wage increase and other compensation enhancements.

Active health benefits for fire and police employees are a significant component of the Employee Benefits Fund and are established through the respective collective bargaining agreements. The collective bargaining agreement with the Police Association includes a health benefits re-opener to align discussions on health benefits with the expiration of the collective bargaining agreement with the Fire Association. This represents the first time in several contract cycles that the City will have the opportunity to negotiate both active and retirement health benefits with the Fire and Police Associations simultaneously. It will be important to address the cost of health care and potential partnerships with the associations to manage future costs.

Other policy issues also exist with retirement health benefits for fire and police employees who retired after October 1, 1989. These retirement health benefits for fire and police employees are not funded through the Employee Benefits Fund but rather a statutory trust, the Fire and Police Retiree Healthcare Fund. However, significant challenges also exist with the long-term financial position of this Fund. The Fund was first created in the 1989 fire and police contracts to provide retirement health benefits for fire and police employees who retired after October 1, 1989 and was subsequently established as a statutory trust to allow for the broader investment of Fund assets. Contributions to this Fund and benefit levels are also established through the collective bargaining agreements.

The City of San Antonio is the only large municipality within the State and one of the few in the country to have such a pre-funded plan for retiree health benefits where retirement health benefits are being funded in much the same manner as you would a retiree pension. Both active employees and the City are making contributions to the Fund and those dollars are being invested by the Fund to provide funds to pay for healthcare during retirement. The FY 2006 Proposed Budget includes \$18.9 million in City contributions. To assist the City in addressing the long-term financial position of this Fund as well as comply with GASB Statement No. 45, the Segal Company has been engaged to perform another actuarial study of the Fund in conjunction with upcoming collective bargaining negotiations and to explore alternatives and options for the redesign and restructuring of the retirement health program. This will be a part of the dual track strategy which also includes increasing employee and City contributions to the Fund.

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**Civilian Market Salary Adjustment** The FY 2006 Proposed Budget includes a market salary adjustment for eligible employees. This adjustment will be effective on October 1, 2005 and would be distributed to civilian full-time and part-time employees as follows:

- Employees with an annual base salary of \$50,000 and below (reflecting 92% of eligible civilian employees) will receive a 3% increase to base salary
- Employees with an annual base salary greater than \$50,000 will receive a 2% salary increase to base salary

The market salary adjustment totals \$7.1 million in All funds and \$4.0 million in the General Fund.

**City Council Administrative Assistant Compensation** The FY 2006 Proposed Budget increases the Mayor and City Council Administrative Assistant compensation (by \$26,869 and \$16,869 respectively) to provide sufficient funding for a Market Adjustment for Mayor & City Council Administrative Assistant services. The Mayor's Office would have a total Administrative Assistant budget of \$150,000 and with Health Reimbursement and Parking a total budget of \$170,016. Each City Council District would have a total Administrative Assistant budget of \$140,000 in FY 2006 and with Health Reimbursement and Parking a total budget of \$160,016.

**Job Reclassification & Re-grade Adjustments** In FY 2005, minimum starting salaries for 14 job classifications were increased or "re-graded" as a result of labor market comparisons. These re-grades totaled \$487,175 annually in all funds, and resulted in salary increases for over 200 existing employees, with a minimum increase of 3% to base salary per employee. The City has also reclassified 170 individual employees for a total cost of approximately \$366,538 annually. The Proposed Budget sets aside \$500,000 to continue addressing job classification changes in FY 2006.

**Certification Pay Program** The FY 2005 Adopted Budget funded a pilot program to provide employees salary increase opportunities through the attainment of higher or broader job-related skills and knowledge. The pilot program was designed to primarily reward job-related certifications in skilled craft and service/maintenance jobs such as Gardeners, Plumbers, and Electricians. The program also reimburses for exam fees and certification fees paid in the attainment of the certification. This pilot program will continue to be funded in FY 2006 in the amount of \$162,687 in the General Fund and \$291,571 in All Funds. An expansion of certifications would include workers in other areas such as Animal Care and Development Services.

**Classification Structure, Total Compensation, & Succession Management Reviews** Included within the FY 2006 Proposed Budget is \$250,000 for professional service fees to conduct a comprehensive review of the City's classification and compensation structures as well as to train human resources staff in conducting a thorough review of the organization's systems and pay plan. This re-design should result in a more objective and equitable compensation structure with a pay plan that incorporates fewer, more flexible job classifications, more adequately and responsively addresses labor market salary issues and a streamlined process to support this structure. It will also incorporate a total compensation philosophy that includes the value of health benefits and other non-monetary benefits in the compensation decision-making process and a more objective structure for providing future salary increases while retaining the ability to reward job performance. Finally, professional services would be obtained to provide recommendations for the development of reengineering and succession management initiatives, including span of control evaluations, strategies for identifying and replacing critical position vacancies due to turnover and retirements, and determination of correct workforce levels to achieve service goals.

**Performance Pay** In light of the proposed review of the organization's compensation system, the City's performance pay will be suspended for FY 2006. Staff, with the assistance of the compensation consultant, will evaluate existing distribution methodologies and the City's current appraisal system. This evaluation will result in recommendations for the design of a more objective system.

**Transportation Allowance** This proposed improvement recognizes that an imbalance has existed with regard to civilian employee transportation and free parking availability. This program would provide a \$45 per month (subject to employment taxes) transportation allowance to full-time civilian City employees. This allowance is for the civilian employee who is currently working or will be working at a location that does not provide fully subsidized or free vehicular parking. Human Resources, with the assistance of City Departments, will develop policy guidelines and eligibility criteria to be used in administering the program that will begin in FY 2006. Implementation of this initiative would be \$750,000 in recurring allowance costs to the General Fund and \$1.130 million in All Funds.

**Health/Fitness Coordinator for City Workforce** Funds have been set aside in the FY 2006 Proposed Budget to add one Special Projects Manager within the Human Resources Department to support the development and implementation of a health and fitness program for City employees. This enhancement was recommended by employees recently completing the City's Leadership Development Program. The position would assist with all aspects of health and fitness initiatives, to include, but not limited to: coordinating and promoting fitness activities such as walks, runs, and exercise programs; expanding the scope of the City's Health Fair to include fitness and health seminars and expansion of fitness and health related vendors; promoting and partnering with existing fitness programs (such as SA Marathon, Walk SA, Sports Fest); and expanding media outlets to regularly disseminate health and fitness related program information.

**Employee Health Benefits Program** The FY 2006 Employee Benefits Proposed Budget totals \$81.9 million. The City subsidizes a competitive health plan for employees to attract and retain a qualified workforce and to maintain a healthy workforce to maximize productivity by minimizing absenteeism due to illness of the employee or their dependents. The FY 2006 Proposed Budget includes \$9.6 million in added contributions from City resources to the Employee Benefits program. Of this amount, \$7.6 million is provided by General Fund resources and \$2.0 million from the City's other Funds.

Rather than increasing monthly premiums across each premium level for civilian active and non-Medicare retired members of the CitiMed PPO plan, the FY 2006 Proposed Budget includes a partnership-strategy between the City and the employees and retirees to manage health care costs with the goal of lowering health care spending. The following are recommendation for Plan Year 2006:

- No increase to monthly premium charges for civilian employees or non-Medicare retirees.
- Adjustment of the in-network deductible in the CitiMed PPO plan from \$250 to \$500, with family deductible increasing from \$500 to \$1,000. Out of network deductible would increase correspondingly.
- Adjustment of the in-network out-of-pocket (OOP) maximum in the CitiMed PPO plan for active employees from \$1,500 to \$2,000 (family OOP max increases from \$3,000 to \$4,000), with corresponding increase for out-of-network OOP maximum.
- Redirection of savings achieved by these changes (estimated at \$1.1 million) as follows:
  - Creation of flexible spending accounts (FSA) for all employees and non-Medicare retirees enrolled in the CitiMed PPO plans
  - Employer (COSA) contributions into the FSA of \$250 (on a pre-tax basis) for each employee/non-Medicare retiree on January 1, 2006
  - Active employees can also contribute to FSA's on a pre-tax basis up to a total amount of \$5,000 for projected medical-related expenses in plan year 2006
  - As with existing FSA's, any monies left in the accounts at year end will automatically revert to the City as the excesses do now.

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The cost of the FSA accounts for active employee and non-Medicare retiree participants in the CitiMed PPO (3,327 employees and at \$250 each) is \$831,750. The resulting recurring net savings from plan design changes and the FSA projected for FY 2006 equates to \$268,000 annually. The following chart summarizes the aforementioned proposed changes.

|                             | 2005 Benefits            |                          | 2006 Proposed                      |                                    |
|-----------------------------|--------------------------|--------------------------|------------------------------------|------------------------------------|
| Item                        | In-Network (Ind/Fam)     | Out-of-Network (Ind/Fam) | In-Network (Ind/Fam)               | Out-of-Network (Ind/Fam)           |
| Deductible                  | \$250/\$500              | \$500/\$1,000            | \$500/\$1,000                      | \$1,000/\$2,000                    |
| Out-of-Pocket (OOP)         | \$1,500/\$3,000          | \$3,000/\$6,000          | \$2,000/\$4,000                    | \$4,000/\$8,000                    |
| Combined Deductible/OOP     | \$1,750/\$3,500          | \$3,500/\$7,000          | \$2,500/\$5,000                    | \$5,000/10,000                     |
| FSA – employer contribution | No employer contribution | No employer contribution | \$250 on January 1, 2006 (pre-tax) | \$250 on January 1, 2006 (pre-tax) |

Because the employee monthly share will remain unchanged for FY 2006, (no premium increase in FY 2006) the City subsidy for child(ren) will go from 90% to 91% and the spouse subsidy will increase from 85% to 87% of total cost.

| CitiMed Participant | % of City Subsidy | Total Monthly Cost* | City Monthly Share |
|---------------------|-------------------|---------------------|--------------------|
| Employee (Adult)    | 97%               | \$264               | \$257              |
| Child(ren)          | 91%               | \$198               | \$180              |
| Spouse (Adult)      | 87%               | \$264               | \$229              |

\*Estimated total cost for 2006

The following table shows the FY 2006 recommended total monthly cost by employee/dependent premium level:

| CitiMed Premium Level              | Total Cost | City Monthly Share | Emp Monthly Share* |
|------------------------------------|------------|--------------------|--------------------|
| Employee (Adult)                   | \$264      | \$257              | <b>\$7</b>         |
| Employee + Child(ren)              | \$462      | \$437              | <b>\$25</b>        |
| Employee + Spouse (2 adults)       | \$528      | \$486              | <b>\$42</b>        |
| Family (Employee + Spouse + Child) | \$726      | \$667              | <b>\$59</b>        |

\*Same as 2005 Premium dollar rates

This proposed recommended direction for FY 2006—maintaining premium levels while increasing deductibles and OOP maximums in conjunction with the funding of flexible spending accounts—is strategically advantageous for the City in several ways as described below.

- 1 Because there is no monthly premium increase from FY 2005 levels for employees and non-Medicare retirees, members only have to pay more for coverage if and when they have significant plan utilization. Therefore, the consumers of the plan actually share more of the cost rather than all employees and retirees. At the same time all are still protected in case of a catastrophic event with \$2,500 in out-of-pocket expenses for employee/retiree only.
- 2 Employees and non-Medicare retirees who utilize the plan up to the new deductible level (\$500) maintain today's financial impact of the current deductible level (\$250) for themselves since they will be given \$250 in a flexible spending account to use on applicable medical-related expenses.
- 3 Dollars in flexible spending accounts are available to the employee and non-Medicare retiree to pay for any healthcare expenses for them (or their dependents) that is not currently paid for by the City's or any other health insurance plan. Expenses can be used for the employee or dependents, including co-pays, deductibles, eye glasses, and dental expenses.
- 4 Creation and utilization of a flexible spending account creates a "consumer-directed" healthcare initiative by putting funds in the participant's control—the decision on what to spend, and the best use of those monies, is up the participant for this first \$250.
- 5 Maintaining 2005 premium and co-insurance levels through FY 2006 allows time for the opportunity to engage in negotiations with uniformed associations regarding their benefit plans and levels with the intent to seek possible adjustments effective in 2007 to coincide with possible additional adjustments to civilian active and non-Medicare retiree plans.

The Proposed Budget also includes no increase to the CitiMed Medicare PPO premiums for this year as this plan supplements Medicare coverage resulting in lower cost per member for secondary payment after Medicare. Furthermore, the City anticipates savings from the recent Medicare Part D legislation via the receipt of rebates for pharmaceutical coverage in this plan, which can be credited back to the plan for anticipated increased expenses in this fiscal year. The Secure Horizons HMO contract for retirees with Medicare expires December 31, 2005. The 2006 rates are dependent upon the results of a Request for Proposal for Medicare HMO Service, which is in process at this time.

**FY 2006 Retirement Incentive Initiative** In anticipation of an expected General Fund shortfall in FY 2007, the Proposed Budget includes an option to offer a retirement incentive in FY 2006 to all full-time employees eligible to retire with 27 or more years of service as of May 31, 2006. The FY 2006 Proposed Budget includes \$1.7 million in the General Fund and \$2.1 million in All Funds. For participating employees, the City would subsidize retiree health care premiums at an amount equivalent to 50% of cost for the first three years after retirement using current and estimated "retiree plus one" cost levels. Since actual premium costs are unavailable for future years, premium costs for Plan Year 2005 are being used to estimate costs in future years, assuming a 15% increase in each of the years, to determine subsidy amounts for future retiree health premiums.

The Retirement Incentive Initiative would also deposit for each year amounts equivalent to an additional 50% of estimated premium costs into a health care savings account for employees with banked sick leave values up to the total value of the banked sick leave balance at the time of retirement. Employees with this additional benefit may elect to use that amount to pay additional premium costs or for other health care related expenses. This one-time opportunity is being further explored via focus group meetings with employees to determine the viability of such an initiative. Employees who opt not to take advantage of this retirement incentive do not have an entitlement to banked sick leave values except for the use in conjunction with the Extended Sick Leave Program as stipulated in Ordinance #59309.

## Budget Summary

Three hundred thirty (330) current employees would be eligible for this incentive. The total value of their current positions, including salary and benefits after the October 1, 2005 anticipated market adjustment, is an annual amount of \$9.3 million in the General Fund, with \$15.0 million in all funds. The three following scenarios assume 25%, 50%, and 100% of eligible employees elect to take this retirement incentive. Estimated savings are based upon eliminating 25% of those positions which are vacated as a result of the initiative.

### **Retirement Incentive Initiative All Funds Projected Impact – FY 2006 thru FY 2010**

| (\$ In 000s)               | 25%     |           | 50%     |           | 100%    |            |
|----------------------------|---------|-----------|---------|-----------|---------|------------|
|                            | Year 1  | Years 2-5 | Year 1  | Years 2-5 | Year 1  | Years 2-5  |
| <b>Total Expenses</b>      | \$0.966 | \$0.962   | \$1.515 | \$1.935   | \$2.307 | \$3.129    |
| <b>Salaries Eliminated</b> | \$0.215 | \$5.168   | \$0.361 | \$8.672   | \$0.626 | \$15.024   |
| <b>Net Costs/(Savings)</b> | \$0.751 | (\$4.206) | \$1.154 | (\$6.737) | \$1.681 | (\$11.895) |

## **Reductions / Redirections Savings Summary of General and Other Fund Reductions**

### **General Fund Reductions**

Proposed for the FY 2006 General Fund budget are 18 reductions/efficiencies totaling \$1.2 million with a net savings of \$585,510. Included in this figure is the elimination of 31 vacant, full-time positions, as well as numerous line item budget reductions. Below is a list of position-related reductions by department that comprise some of the projected budget savings for FY 2006.

#### **City Attorneys Office**

- Increased efficiencies within the City Attorney's Office would allow for the elimination of a vacant, full-time Senior Administrative Assistant position.
- FY 2006 budget savings: \$46,032

#### **Health Department**

- Increased efficiencies within the Health Department operations would allow for the elimination of one vacant, full-time Dental Assistant, one vacant, full-time Senior Customer Service Representative and two vacant, full-time Public Health Aide positions.
- FY 2006 budget savings: \$122,171

#### **Parks & Recreation Department**

- Efficiency savings from the outsourcing of bulk mowing services, regular mowing services and Riverwalk cleaning services would allow for the elimination of 23 vacant positions.
- FY 2006 net budget savings: \$166,653

#### **Public Works Department**

- Efficiency savings from the implementation of Automatic Vehicle Locator (AVL) technology would allow for the elimination of two traffic maintenance positions: one vacant Senior Electronic Technician and one vacant Sign Technician. The Public Works Department also proposes to eliminate one vacant engineering position related to barricade inspections.
- FY 2006 net budget savings: \$90,868

In addition to the elimination of various authorized positions, numerous line item budget reductions are proposed, including the addition of increased turnover (reduction to salaries & wages), reductions to office supplies budgets, and decreases in contractual and fees to professional services budgets.

For all other City funds a total of 28 budget reductions/efficiencies are proposed for a net savings of \$2.194 million. Included in this figure is the elimination of 50 positions including 15 filled full-time, 25 vacant full-time, and 10 vacant part-time positions. Highlighted below are several of these reductions/efficiencies:

**Storm Water Operating Fund—Public Works Department**

- Efficiency savings totaling a net savings of \$129,896 in FY 2006 are achieved by improving the method by which materials are delivered to job sites throughout the City. This would be achieved by replacing existing equipment with larger machinery providing efficiency in material hauling. This proposal would replace 7 seven-cubic-yard dump trucks, 10 ten-cubic-yard trucks and 5 sixteen-cubic-yard sludge trailers with 9 twenty-six cubic-yard tractor trailers, 1 concrete mixer and 5 compact pick-up trucks. These larger apparatus would allow for more efficient means of transporting construction materials from site to site. In conjunction with the replacement of equipment, this efficiency would eliminate 14 full-time Equipment Operator I positions and add 10 full-time Senior Equipment Operator positions to operate the larger equipment.
- FY 2006 net budget savings: \$129,896

**Convention and Visitor Facilities Fund—Convention Facilities Department**

- Efficiency savings from the outsourcing of audio visual services would allow for the elimination of one vacant, full-time Audio Visual Technician and three filled, full-time Senior Audio Visual Technicians.
- FY 2006 net budget savings: \$158,908

**Golf Fund—Parks & Recreation Department**

- Efficiency savings from the proposed outsourcing of management services for the San Pedro Driving Range through a Request for Proposal (RFP) in FY 2006 would produce projected revenue increases of \$25,000 and would allow for the elimination of three positions—one filled, full-time Golf Activities Supervisor II, one filled, full-time Golf Activities Supervisor I, and one vacant, full-time Recreation Specialist position.
- FY 2006 net budget savings: \$113,809

The total net reduction/redirection savings for the FY 2006 Proposed Budget within the City's other funds are as follows:

|  |                    |
|--|--------------------|
| ▪ Aviation Fund:                         | \$13,917           |
| ▪ Community and Visitor Facilities Fund: | 636,060            |
| ▪ Employee Benefits Fund:                | 4,492              |
| ▪ Employee Wellness Fund:                | 28,690             |
| ▪ Environmental Services Fund:           | 58,517             |
| ▪ Golf Fund:                             | 213,809            |
| ▪ Information Technology Services Fund:  | 607,000            |
| ▪ Liability Insurance Fund:              | 5,961              |
| ▪ Parking Fund:                          | 222,297            |
| ▪ Public Health Support Fund:            | 90,070             |
| ▪ Storm Water Fund:                      | 287,482            |
| ▪ Storm Water Regional Facilities Fund:  | 20,000             |
| ▪ Workers' Compensation Fund:            | 5,425              |
| <hr/>                                    |                    |
| <i>Total FY 2006 Other Funds Savings</i> | <i>\$2,193,720</i> |

## Budget Summary

### Changes to Revenues & General Fund Reserve for Revenue Loss

In order to address the pressure on available funds, the Proposed General Fund Budget, including the Emergency Medical Services fund, includes recommendations to increase several existing fees and create new fees and charges for service. **These recommended revenue items total \$2,921,704 million.** The revenue adjustments are summarized below with additional detail provided in the Revenue Detail section of the Proposed Budget.

The policy direction for the FY 2006 budget process regarding revenue enhancements focused on cost recovery. The concept of cost recovery is to recover some or all of the costs associated with providing city services and programs at varying levels depending on factors such as the nature of the service provided, the population served, and the intended impact to the community. There are four categories of cost recovery that were evaluated: Basic City Services, Targeted Population Services, User-Driven Services and Fees/Fines/Rates for Community-Wide Benefit.

#### Revenue Changes by Cost Recovery Category

| <u>Cost Recovery Category</u>              | <u>Proposed FY 2006<br/>Revenue Generated</u> |
|--|---|
| User Driven Service                        | \$769,916                                     |
| Basic City Service                         | \$455,405                                     |
| Fees/Fine/Rates for Community Wide Benefit | \$1,681,008                                   |
| Targeted Population                        | \$15,375                                      |

User Driven Services are provided to specific populations with varying level of charges for service to ensure health and public safety within communities (i.e., Development Services, Health Inspections) and to provide individual benefit (i.e., Admission Fees). The revenue changes associated with User Driven Services total \$769,916

Basic City Services are provided with or without minimal direct charge for service. Examples include Police services, Fire services, and Library services. These are community-wide services that are supported with community-wide revenues. The revenue changes associated with Basic City Services total \$455,405 and include several adjustments in the EMS charges for service.

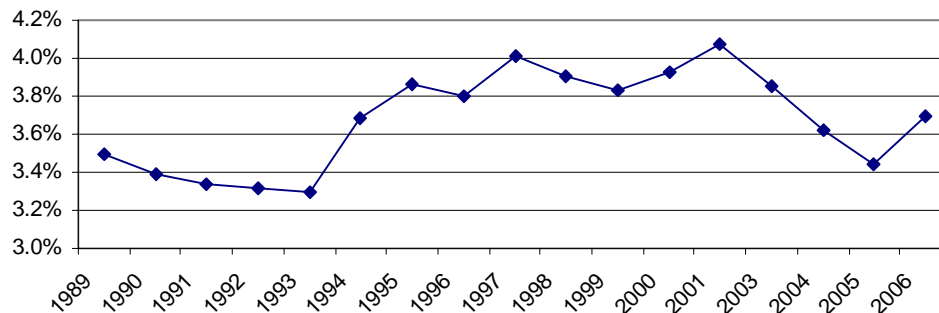
Fees/Fines/Rates for Community-Wide Benefit are leveraged to influence certain outcomes within the community. Examples include Code Violation Fines, Parking Fees, and Swift-Water Rescue Fees. This category includes the FY 2006 Proposed Liability Insurance Towing Fee charged for failure to provide proof of liability insurance. The revenue changes associated with Community-Wide Benefit total \$1,681,008.

Targeted Population Services are provided with minimal charge for service. Although the population served is not community-wide, minimal charge is a reflection of the strategy to cover the costs for services as well as community-wide benefit obtained from service. Examples include Adult programs, Athletic programs, and Senior Services. The revenue changes associated with Targeted Population Services total \$15,375.

**Reserve for Revenue Loss** Beginning in FY 1989, as illustrated in the chart and table on the following page, the City of San Antonio established a Reserve for Revenue Loss. This reserve is maintained each year in order to ensure payment for critical City service deliveries in case of a catastrophic event affecting revenues. The City of San Antonio has had an informal goal of 5% of the total General Fund appropriations to be included in the Reserve for Revenue Loss. In recent years, however, total appropriations have increased while the Reserve has remained constant thus effectively decreasing the percentage to the level it was 12 years ago.



**Reserve for Revenue Loss as a  
Percentage of Total General Fund Appropriations**



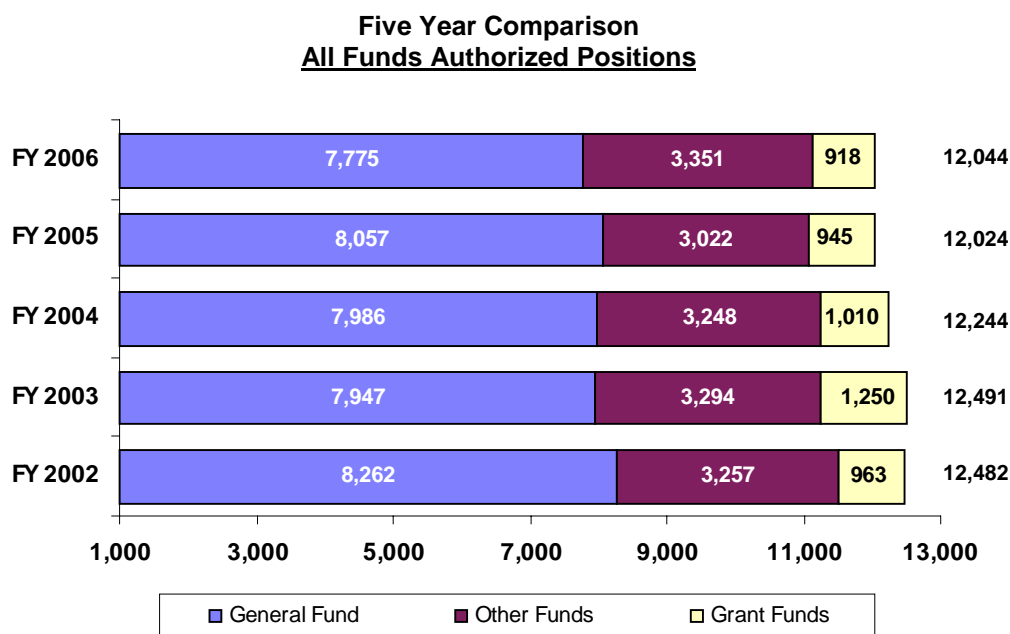
The FY 2006 Proposed Budget includes an increase in the Reserve for Revenue Loss of \$3.550 million in one-time resources creating a new reserve equal to 3.7% of the City's total FY 2006 Proposed Appropriations. The new reserve amount would be \$26,718,000. Staff is recommending that as part of future annual budget processes, one-time revenue be evaluated as possible continued addition to the Reserve for Revenue Loss in order to move closer to the 5% goal.

| Fiscal Year | Reserve for                    | Total General Fund               | Percentage of Total |
|-------------|--------------------------------|----------------------------------|---------------------|
|             | Revenue Loss<br>(In Thousands) | Appropriations<br>(In Thousands) |                     |
| 2006        | \$26,718                       | \$723,207                        | 3.7%                |
| 2005        | \$23,168                       | \$673,171                        | 3.4%                |
| 2004        | \$23,168                       | \$639,441                        | 3.6%                |
| 2003        | \$23,168                       | \$601,387                        | 3.9%                |
| 2002        | \$23,168                       | \$601,111                        | 3.9%                |
| 2001        | \$23,168                       | \$569,317                        | 4.1%                |
| 2000        | \$20,868                       | \$530,482                        | 3.9%                |
| 1999        | \$19,168                       | \$500,863                        | 3.8%                |
| 1998        | \$18,000                       | \$460,819                        | 3.9%                |
| 1997        | \$18,000                       | \$448,953                        | 4.0%                |
| 1996        | \$16,000                       | \$420,789                        | 3.8%                |
| 1995        | \$15,300                       | \$396,708                        | 3.9%                |
| 1994        | \$13,300                       | \$361,026                        | 3.7%                |
| 1993        | \$11,100                       | \$337,361                        | 3.3%                |
| 1992        | \$11,101                       | \$334,271                        | 3.3%                |
| 1991        | \$10,300                       | \$308,356                        | 3.3%                |
| 1990        | \$10,300                       | \$304,045                        | 3.4%                |
| 1989        | \$10,300                       | \$294,797                        | 3.5%                |

## Budget Summary

### City Personnel Levels

The FY 2006 Proposed Budget includes a total of 12,044 positions in All Funds excluding the 2,026 temporary positions within the Alternative Employee Services Fund. The following bar graph compares the total authorized positions over a five year period from FY 2002 to FY 2006. The graph denotes those positions that are authorized within the General Fund, other Operating Funds, and Grant Funds.



The following table shows the number of uniform and civilian positions authorized in the General Fund for FY 2006. Uniform positions are sworn positions within the San Antonio Police Department and San Antonio Fire Department.

#### **FY 2006 General Fund Authorized Civilian and Uniform Positions**

| Civilian Position | Uniform Positions<br>Police | Uniform Positions<br>Fire/EMS | Total Positions |
|-------------------|-----------------------------|-------------------------------|-----------------|
| 4,281             | 2,044                       | 1,450                         | 7,775           |

The total number of positions in FY 2006 for all funds will increase by 20 positions from 12,024 in FY 2005 to 12,044 in FY 2006. The increase in 20 positions is the net effect of proposed improvements, mandates and reductions/redirections and base-line changes. As seen in the graph above, significant changes will occur in FY 2006 as a result of the redirection of budgets and personnel for certain services from the General Fund to Other Funds. Specifically, 262 Police School Crossing Guards will be redirected from the General Fund to the Child Safety Fund to account for revenues received from added fees to parking tickets, school zone violations, and vehicle registrations. Additionally, 54 positions will be redirected in the FY 2006 Proposed Budget from the General Fund to the newly created Animal Care Fund. These changes are summarized below:

- 262 General Fund Police School Crossing Guards redirected to the Child Safety Fund
- 54 General Fund Health Department positions redirected to the Animal Care Fund

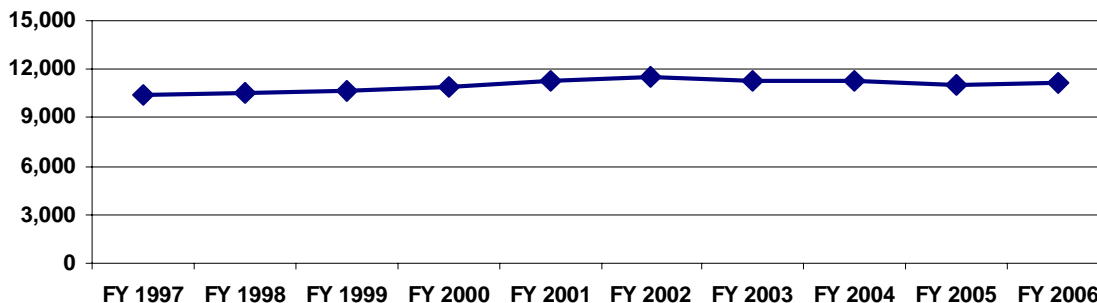
The combination of both the newly created Direct Hire and Labor Pool Programs will result in an authorized personnel increase of 250 positions within the Alternate Service Employee Fund in FY 2006. Implemented during FY 2005, the Direct Hire Program has expedited hiring for labor positions in the Environmental Services Department and Convention Facilities. The program is being expanded in FY 2006 to include entry-level positions in Animal Care, Purchasing, and Parks and Recreation Departments. A modified program will also be implemented in the Public Works Department. The program allows the Human Resources Department to make immediate staffing decisions related to advertising, recruiting, interviewing, and hiring for participating departments enabling departments to concentrate their time and efforts on operational management. In FY 2006, the Human Resources Department is proposing to implement a labor pool program that will serve as an internal temporary agency to departments requiring assistance in filling temporary labor needs. The labor pool would employ individuals qualified to perform manual labor on an on-call basis. These individuals would assist in servicing departments in positions such as gardeners, maintenance workers, building custodians, and other related jobs. This would allow departments to plan for temporary absences while still maintaining appropriate staffing levels.

The Proposed Program changes within the budget also impact the personnel counts for FY 2006. The following table summarizes the changes to personnel levels by detailing the net added positions from Mandates and Improvements and the net reduced positions from Reductions and Redirections. The table excludes changes that result from base-line target adjustments in the FY 2006 Proposed Budget. These target adjustments equate to a net reduction of 11 positions to reflect program change impacts included within the FY 2005 Adopted Budget.

| <b>Net Impact to Personnel Levels from FY 2006 Proposed Program Changes</b> |                     |                 |                   |                     |                     |
|---|---------------------|-----------------|-------------------|---------------------|---------------------|
| <b>(Excluding Alternate Employee Services Fund and Grant Funds)</b>         |                     |                 |                   |                     |                     |
| <b>Fund</b>   | <b>Improvements</b> | <b>Mandates</b> | <b>Reductions</b> | <b>Redirections</b> | <b>Total Change</b> |
| <b>General Fund</b>   | 49                  | 27              | (31.00)           | 0.00                | <b>45</b>           |
| <b>Other Funds</b>  | 41                  | 4               | (30.00)           | (2.00)              | <b>13</b>           |
| <b>Total - All Funds</b>  | <b>90</b>           | <b>31</b>       | <b>(61.00)</b>    | <b>(2.00)</b>       | <b>58</b>           |

The graph below details the trend in the number of authorized positions (for both civilian and uniform) over a ten year period for All Funds excluding Grant Funds. Over the past ten years, authorized personnel counts have increased on an annual average basis of 1%. From FY 1997 to FY 2006, there has been a 7% growth rate in authorized positions.

**Ten Year Authorized Position Trend**



## Budget Summary

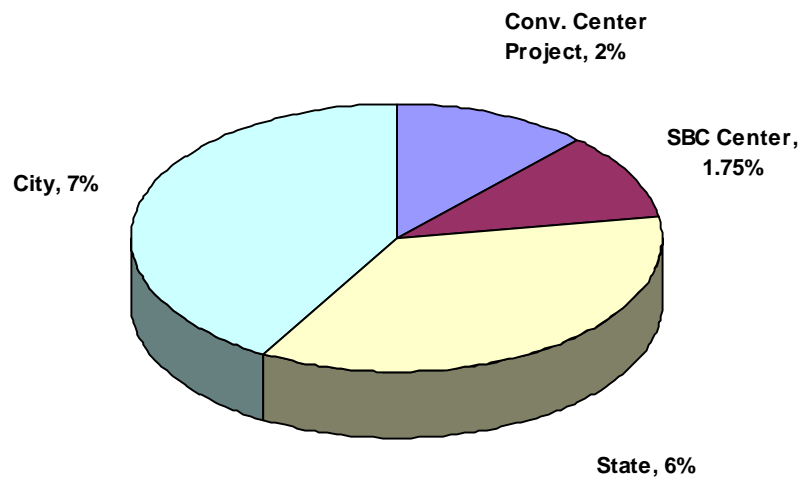
### Other Funds

**Community & Visitor Facilities** The Community and Visitor Facilities Fund (CVF) was established in FY 2004 to account for revenues and expenditures generated from all convention, tourism, sports and entertainment related activities. In order to increase efficiency, the Community and Visitor Facilities Fund combines the resources of the Alamodome, Nelson W. Wolff Stadium (Wolff), Hotel/Motel Tax and Convention Facilities to fund the operations of the Alamodome, Wolff Stadium, Convention Facilities, Convention and Visitors Bureau, Cultural Affairs Office, outside arts agencies, the protocol unit of the International Affairs Department and other convention/tourist-related activities. The fund also contributes a portion of revenues, through a transfer to the General Fund under History and Preservation, in order to support various visitor related activities such as maintenance of the Riverwalk, Hemisfair Park, and La Villita. The yearly contribution to the General Fund comes from the Hotel/Motel tax collections and is a total of 15% of the taxes collected.

The proposed CVF budget begins to address the shortfalls identified in the Five-Year Financial Forecast of \$31 thousand in FY 2006 and \$2.4 million in FY 2007. The Proposed Budget addresses the shortfall in FY 2006 through a combination of revenue enhancements and reduction/redirections resulting in a total Proposed Budget for the fund of \$57.8 million and an ending balance of \$1.23 million.

The current Hotel/Motel Occupancy Tax rates of 16.75% levied on every room night charge is broken out to 1.75% for the SBC Center arena, 7% for the City, 6% for the State, and the remaining 2% is a dedicated source of revenue to pay debt service for the Convention Center Expansion Project. The following chart shows the break-up of the tax rate:

**Hotel/Motel Occupancy Tax Rate - 16.75%**



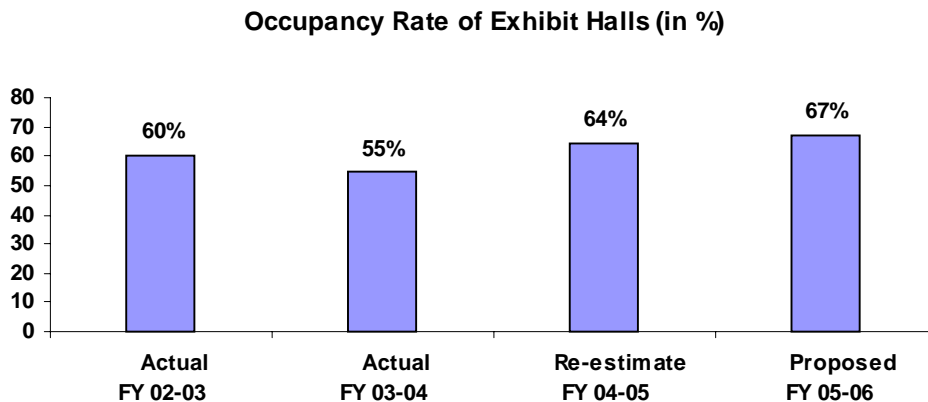
Hotel/Motel Occupancy Tax revenue projections are based upon an analysis of anticipated lodging demand, projected number of room nights sold, projected average daily room rates, estimated hotel/motel room supply, inflation rates and known events. Estimates for the FY 2005 Hotel/Motel Occupancy Tax revenues amount to \$38.43 million, an increase of \$540K over the Adopted revenue budget. With the exception of FY 2007, visitor activity is expected to steadily increase along with Hotel/Motel Occupancy Tax revenues beyond FY 2005. The reasoning behind FY 2007's decrease in projected revenue from the previous year is due to the expected decline in group business/convention bookings which normally drives the demand of the higher cost rooms in the downtown area. The FY 2006 projected HOT revenue is \$40.1 million, an increase of \$1.65 million above the FY 2005 Re-Estimated.

The primary sources of revenue from operation of the Alamodome are facility rentals, food and beverage concessions, reimbursable expenses and various event-related fees. Revenues are estimated based on an event mix projection. Total Alamodome rental and facility fee revenue in FY 2005 is estimated at \$3.7 million which is 20% less, or \$916,000 lower, than the \$4.6 million FY 2005 Adopted Budget. In the FY 2006 Proposed Budget, rental and facility revenue are projected to be \$4.9 million.

In addition to the \$108,316 in line item reductions, the Alamodome Department is proposing the following two revenue enhancements that will generate \$281,900 in additional revenue for FY 2006:

- 1 Increase event parking fees at the Alamodome from \$8 to \$10. This increase is projected to generate \$256,900 in additional revenue.
- 2 A projected \$25,000 in additional revenue is estimated to be collected for equipment rental which will be charged to clients for equipment, such as, forklift rental, audio and video equipment and chairs which was previously inclusive in the facility rental.

The primary sources of revenue for the Convention Center are facility rentals, catering commissions, reimbursable expenses, and various event-related fees. Revenues are estimated based on both scheduled and projected events. The following chart depicts the actual occupancy rate of exhibit halls in FY 2003 and FY 2004, the estimated occupancy rate for FY 2005, and the proposed FY 2006 occupancy rate.



For the Convention Facilities Department, the Proposed Budget eliminates four positions (three filled and one vacant) for a total savings of \$158,908. Of these four positions, one is an Audio Visual Technician and three are Sr. Audio Visual Technicians. The savings result from the utilization of an outside contractual company to provide the audio visual services.

Currently, the construction of the Convention Center Hotel has begun and is anticipated to open in January of 2008 with availability for 1,000 rooms. To accommodate for the construction of the Hotel, an improvement for Goodwill totaling \$100,000 is proposed for FY 2006 which would provide funds to be used to mitigate issues, such as noise disruption, that arise from the construction of the Convention Center Hotel. The funds would cover expenses such as relocation, rent reduction, and / or decorating costs.

With respect to the Convention & Visitors Bureau (CVB), the Proposed Budget freezes one Graphics Designer position, one Executive Secretary position, and one Assistant Director position generating \$116,146 in savings. For FY 2006, a \$500,000 improvement is proposed which would augment the base advertising and marketing campaign to \$6,600,000. The additional increase is for the growing costs of marketing San Antonio for the branding strategic plan, to address some of the immediate group market challenges in FY 2007, and to include marketing for the added 1,000 hotel rooms anticipated in February

## Budget Summary

2008. There is also a \$30,000 improvement for the Incentive Program. The funding is for the implementation of the Incentive Program for designated Account Executives. The objective of the program is to incentivize Sales staff with assigned room night goals with a competitive compensation package that is commensurate with individual performance and results.

For the Cultural Affairs Office, the Proposed Budget includes \$500,000 in funding for the continued implementation of the Cultural Collaborative. Additionally, a one-time reduction of \$60,000 is included in the budget which will eliminate funding for the Neighborhood Heritage Initiative (NHI) Program. It is anticipated that the Arts in the Community (AIC) program will provide the Neighborhood Commercial Revitalization projects with similar opportunities and support their immediate requirements. It is anticipated that funding for the NHI will be reinstated in FY 2007. For FY 2006, the Cultural Collaborative, Cultural Affairs Department, and contributions to arts agencies total \$4.09 million or 10.2% of the Hotel/Motel Collections. This is up from \$3.56 million or 9.4% of last year's Hotel/Motel Collections.

**Golf Fund** The FY 2006 Proposed Golf Fund Budget is \$6.4 million. As detailed within the current Five Year Financial Forecast, the fund continues to face fiscal challenges with a projected shortfall of \$795,000 identified for FY 2006. Through a combination of revenue enhancements and reductions described below, the projected shortfall has been reduced to \$688,642 for the FY 2006 Proposed Budget. In addition, the Parks & Recreation Department will continue to evaluate a proposal to evaluate various operational models which may include utilization of consultant services.

The FY 2006 Proposed Budget recommends various fees increasing in Golf Operations for a total increase in revenue of \$206,000.

- The Golf Cart Rental Fees are proposed to increase by \$2 for 18 holes (from \$21.50 to \$23.50) and by \$1 for nine holes (from \$12.50 to \$13.50). This increase would generate an additional \$140,000.
- The new Point-of-Sale System allows the Department to make advanced reservations for tee times. A new fee of \$1 is proposed for those patrons who utilize the advanced reservation service. This fee would generate an additional \$46,000.
- A portion of the City's Municipal Marketing Initiative involves exploring various marketing opportunities for the golf facilities. These opportunities include naming rights for tee boxes, advertisements and other promotional opportunities. Implementation of Municipal Marketing at the City's golf facilities in FY 2006 is projected to generate \$20,000 in additional revenue.
- In FY 2006, The Parks & Recreation department is recommending to send out a Request for Proposal to solicit proposals to outsource the management of the San Pedro Driving Range & Par 3 facility. The Department anticipates receiving net revenue of \$25,000 from outsourcing this facility.

The FY 2006 Proposed Budget includes reducing two positions in Golf Operations and one position in the San Pedro Driving Range providing a total savings of \$113,809. The Golf Operations reduction includes one vacant Recreation Specialist and one filled Golf Activities Supervisor I. The proposed outsourcing of San Pedro Driving Range would eliminate the need for the filled Golf Activities Supervisor II position. The Olmos Basin Golf Course Manager would assume responsibility for San Pedro in the interim. Finally, the FY 2006 Proposed Golf Fund includes an increase in turnover savings of \$100,000. The increase in turnover would require Golf Course Operations to manage the number of vacancies throughout FY 2006.

**Storm Water Fund** The FY 2006 Proposed Budget for the Storm Water Operating Fund is \$28.9 million. The Proposed Budget includes \$20.0 million for the fund's operating expenses including personnel costs and payments to SAWS for billing services. The primary revenue sources for the Storm Water Fund is the Storm Water Fee and through participation in the Regional Storm Water Management Program, with a fee in-lieu-of on-site detention. The Storm Water Fee which is assessed to all property platted within the City that receives water service or sanitary sewer service. Programs supported by the Storm Water Fee include River Maintenance, Vegetation Control, Tunnel Operations, Street Cleaning, Engineering, and Floodplain Management.

The Storm Water Fee was established in FY 1993. Since its establishment, the rate for the Storm Water Fee has increased four times. The most recent increase became effective January 1, 2005. At that time, the Storm Water Fee was increased by 19.5% across all customer classification and tiers. The increase is estimated to generate additional revenues of \$1.4 million in FY 2006. The increase generates \$61 million in resources programmed and approved for Regional Storm Water Projects. Below is a table that shows the increase of the Storm Water Rate since its establishment.

**Average Residential Rate History**

| <b>Storm Water Rate<br/>Established 5/13/1993</b> | <b>Rate Increase<br/>9/16/1999 (15%)</b> | <b>Rate Increase<br/>10/3/2002 (30%)</b> | <b>Rate Increase<br/>12/13/2003 (3.36%)</b> | <b>Rate Increase<br/>1/1/2005 (19.5%)</b> |
|---|--|--|---|---|
| \$1.99  | \$2.29                                   | \$2.98                                   | \$3.08                                      | \$3.68                                    |

The rate was first increased by 15% as part of the FY 1999-2000 Budget. This increase was necessary to replenish the Storm Water Fund which had been depleted by needed repairs as a result of the October 1998 floods. Following the first increase, the rate was increased by 30% in October 2002 to generate \$46 million in bonds for Storm Water Revenue Bond projects. This increase also funded a natural waterway crew and a concrete maintenance crew. In FY 2003-2004, the fee was increased by 3.36% to fund one additional natural waterway maintenance crew.

In the FY 2006-2010 Forecast, the Storm Water Fund was projected to have an ending balance of approximately \$637,000 in FY 2006 and a \$1.6 million shortfall in FY 2007. To address the shortfall forecasted in FY 2007, the Proposed Budget includes an Operations Reduction of three positions that would save the fund \$90,067 in FY 2006. Also included in the Proposed Budget are two efficiencies that would save the fund \$197,415 in FY 2006. The two efficiencies would be achieved through the purchase of a fewer number of larger pieces of equipment including sweepers and trucks. The efficiencies also involve personnel adjustments in the fund. Two mandates are also included in Proposed Budget for the Storm Water Fund. One proposed mandate, totaling \$2,816, would address the added costs of disposal of waste materials generated by storm water operations. A second mandate, totaling \$25,000 in FY 2006, would provide for flood control operations associated with the three-year annexation plan scheduled to begin in FY 2006. The programs changes proposed for FY 2006 would leave the Storm Water Fund with an ending balance of \$909,795 in FY 2006.

**Aviation Fund** The Adopted Budget for the Aviation Fund is \$47.07 million. In FY 2005 the Fund will continue to maintain a three-month operational reserve of \$7.026 million. The following summarizes program changes includes with the FY 2006 Proposed Budget for the Aviation Fund.

The FY 2006 Proposed Budget includes an addition of eight positions in relation to the Airport System's \$400,000,000 capital improvement program. The positions would provide fiscal operations support, capital project administration and Small Business Economic Development Advocacy program administration. The cost of the improvement for FY 2006 would be \$284,455.

A series of organizational and staffing changes related to Airport security are incorporated into the FY 2006 Proposed Budget. An increase of three full time positions and one part time position would be added to the budget to improve the administration of the federal security regulations, develop and retain Police Officers and to enhance security at the terminal buildings and parking facilities. The FY 2006 cost would be \$171,888.

Due to limited parking near the terminals during construction of a new garage, the Economy Shuttle parking lot would be expanded to accommodate an increase in usage. The addition of four part-time positions would augment the shuttle service schedule to support an increase in parking patrons. The FY 2006 cost for this improvement would be \$29,995.

## Budget Summary

A staffing reorganization is included in the Proposed Budget to improve cost efficiency of airport landside operations. A total of six Operations Agents positions would be redirected to eight Parking Enforcement Officers. All existing services would be retained; however, the two additional positions would enable the Aviation Department to apply greater resources to traffic management during the upcoming roadway construction. The FY 2006 cost saving would be \$13,917.

**Parking Facilities Fund** The FY 2006 Proposed Budget for the Parking Facilities Fund totals \$9.5 million and maintains a restricted four-month operating reserve of \$2.37 million. In order to maintain this restricted reserve, a total of \$1.7 million of the fund's debt service would be redirected to the General Obligation Debt Service Fund. The fund is expected to lose revenues totaling an estimated \$866,000 in FY 2006 stemming from the closures of the Hemisfair Garage and several surface lots under IH-35. In an effort to mitigate these losses, the Proposed Budget includes the following reductions:

- A reduction totaling \$135,103 would eliminate six Parking Attendant positions at various surface lots and garages within the central business district.
- A reduction totaling \$87,194 would eliminate three positions associated with the closure of the Hemisfair Garage.

To enhance customer convenience, the Proposed Budget includes funds totaling \$220,613 to install automated parking meters/pay stations at selected surface lots, meter sites, and parking garages. This technology would potentially enhance revenues and enable the Parking Division to realize efficiencies in operating expenses.



**Six Year Capital Improvement Plan**

**Six Year Capital Improvement Plan** The FY 2006 through FY 2011 Capital Plan for the City of San Antonio totals **\$1.071 billion**. The One Year Capital Budget for FY 2006 totals \$476.5 million. The following table details the planned expenditures by program area.

**FY 2006 Capital Improvement Program by Program Category  
(\$ in Thousands)**

| <b>Program Category</b>      | <b>Amount</b>    | <b>Percentage</b> |
|------------------------------|------------------|-------------------|
| Air Transportation           | \$149,276        | 31.3%             |
| Drainage                     | 88,400           | 18.5%             |
| Streets                      | 77,184           | 16.2%             |
| Municipal Facilities         | 73,655           | 15.5%             |
| Parks                        | 61,794           | 13.0%             |
| Libraries                    | 11,807           | 2.5%              |
| Fire Protection              | 9,422            | 2.0%              |
| Law Enforcement              | 4,293            | 0.9%              |
| Community Initiatives        | 703              | 0.1%              |
| <b>Total FY 2006 Program</b> | <b>\$476,534</b> | <b>100.00%</b>    |

The six-year program, containing 429 projects, represents the City's long-range physical infrastructure development and improvement plan. New funding beyond the current year's Six Year Capital Improvement Plan includes \$61.1 million in Storm Water Revenue Bonds and \$90 million in Aquifer and Creekway Venue Funds. In addition, once final project selection is made by the Advanced Transportation District, future Capital Plans will include this revenue source also estimated to be \$10.9 annually. Items in the six year scope include new streets and sidewalks, street improvements, drainage enhancement projects, park and library facility rehabilitation projects, aquifer land acquisition and linear park development, public health and safety enhancements including new fire stations, airport system improvements, flood control projects, and municipal facility construction and refurbishment projects. For additional information on the Capital Budget, reference the material within the Capital Improvement Plan section of the Proposed Operating Budget or reference the Proposed Annual Capital Budget document.